



Legislature of Ontario Debates

Third Session of the Thirty-First Parliament

April 23-May 25, 1979

HON. FRANK S. MILLER



No. 28

Legislature of Ontario Debates

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Monday, April 23, 1979

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

MONDAY, APRIL 23, 1979

The House met at 2 p.m.

Prayers.

ESTIMATES

Hon. Mr. McCague: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by her own hand.

Mr. Speaker: Pauline M. McGibbon, the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1980, and recommends them to the Legislative Assembly, Toronto, April 23, 1979.

ARMENIAN REMEMBRANCE DAY

Hon. Mr. Wells: Mr. Speaker, tomorrow is April 24; and on April 24 for the last 63 years, we and the Armenian Canadians who make up the population of this province and this country have celebrated Armenian Remembrance Day.

April 24, 1915, marked the beginning of one of the most tragic and saddest times in the history of mankind in the 20th century. It represented the beginning of the persecution of the Armenians who were living in Turkey by the Turkish government; this persecution went on for a number of years and resulted in at least a million and a half people being slaughtered. The significant thing is that this was the first genocide of the 20th century, the forerunner to the holocaust instituted by Adolph Hitler in Nazi Germany.

It therefore is not just another day to remember from one of the many groups that make up the multicultural fabric of this province. It is a special day for all of us who believe in and love freedom, justice and the protection of the dignity of man and the right of every human being to live a happy, peaceful and successful life. This was denied to millions beginning on April 24, 1915.

Many of the descendants of that massacre, many of the Armenians whose mothers, fathers, aunts, uncles and relatives who perished in that genocide came to this country—starting in the early 1920s—and many—

Mrs. Campbell: And some of the survivors.

Hon. Mr. Wells:—and some of the survivors, as my friend from St. George reminds me. Yes, some of the lucky survivors came here along with many of the relatives and friends. They have carved out a very meaningful life for themselves in this province, and that life has extended to taking part in all the affairs of this province, and they've made a very rich contribution. I think we also acknowledge that.

I've had the privilege over the years, as have many of the other members of this House—the member for St. George, the Leader of the Opposition (Mr. S. Smith), the member for Scarborough-Ellesmere (Mr. Warner) and others—to attend the special ceremonies that remember Armenian Memorial Day. I think that's important because, as was pointed out yesterday in that ceremony, we have to remember this event. It's not just a day for the Armenians, it's a day for all of us to remember because of the very horrendous events it put into motion.

Therefore, as part of that remembrance, the remembrance of why the day is observed, that day is recorded in a book the Ministry of Culture and Recreation put out called "Days to Remember" as one of the significant days, among many, that are celebrated by many of the citizens of this province. It also will be found on a new multicultural calendar that will go into all the schools next year. April 24 will be marked as Armenian Memorial Day so that all the children, no matter where they come from or what their background, will know that on April 24 a horrendous event occurred, something quite unlike anything that had ever occurred before in this century, and something that we should never forget occurred so that it may never happen again.

While we remember it here, it's very regrettable that this event goes unacknowledged and unrepented in the country where it occurred. I think that's the tragedy. Turkey refuses to acknowledge hardly that it ever occurred, and it is certainly unrepentant of it, very unlike the present attitude of the government of West Germany towards those terrible and horrendous events that occurred in its country.

So I think, while remembering and learning from what happened then, as part of the process and because it's something very close and dear to the hearts of the Armenian people who live in this province, we must protest to that government that they not take the attitude they do towards this event.

I was very pleased that on Thursday last the member for Hamilton West, the Leader of the Opposition, placed a resolution on the order paper asking this House to urge the Parliament of Canada to express its abhorrence of the genocide that took place in 1915. This government accepts the spirit and the position of that resolution. We would encourage all the members of the House to support that resolution, as I'm sure we will have an opportunity to do on a private members' day in the very near future. This House unanimously having supported that position, the government of Canada will be able to put that position forcefully forward in the council of nations and will, we hope, have some effect on the government where these terrible events occurred.

Mr. Speaker, on behalf of the government I am very pleased to draw the attention of the House to this very important day which is occurring tomorrow, and to state the reasons for it, and to state our full support of the principle and spirit of the resolution that appears on the order paper.

Mr. S. Smith: Mr. Speaker, some may ask why it is, given the multicultural mosaic of our country and our province, the time of the Legislature should be taken to discuss historical grievances that may go back to the former homelands of many Canadians whose origins go back to other countries. It could be asked whether it is reasonable for each grievance to be taking up the time of legislators. But this is different. A million and a half persons were slaughtered, and "genocide" became a term that had a meaning all too real for the world community.

Orphanages were taken and divided: Those which housed Armenian children were told to let the children starve, because young Armenians grow up to be adult Armenians. Women and children were indiscriminately butchered. Men were shot. A forced march of a million people towards the desert occurred in which very few survived at all. Tens of thousands of corpses lined the roads. Yet the western world, knowing full well this had happened, found itself powerless to deal with the nation that had perpetrated this atrocity. Because of that, in 1939 when Hitler outlined to his associates the plan by which he would eventually slaughter six million Jews and Poles and

others, he was told he could never get away with it. He said, "Of course I can. Who now remembers the extermination of the Armenians?"

If the world had remembered, if the world had taken action then to stop the slaughter and had remembered the slaughter afterwards, the 20th century might be written for future centuries to look back on as a difficult time, rather than the bloodiest time in the history of mankind.

Over and above that, Turkey still does not accept that the massacre occurred. Two million Armenians lived in Turkey; they were reduced to a population of 100,000. Turkey today says the genocide did not occur, yet there is incontrovertible evidence by eyewitnesses, even from their German allies at the time who were themselves horrified at what had happened. There is incontrovertible evidence, and it has taken five years of fighting at the United Nations to get one sentence about the Armenian genocide included in a coming declaration on human rights. It has taken five years of struggle for one sentence.

We have an obligation to impress upon the people of Turkey that their government must acknowledge, as the German government has done, that it happened, that those who perpetrated it were to blame, and that to take their place in the annals of decency among nations they must accept responsibility does lie on Turkish soil, with governments of Turkey. That's why the resolution was put forward. That's why I was so pleased to hear my friend, the Minister of Intergovernmental Affairs, speak in favour of this concept. That's why the time of legislators and all persons throughout the world should be directed to this event, so it may never be forgotten.

[2:15]

Mr. Cassidy: It may seem unusual for this Legislature to be talking about events which occurred halfway around the world and a lifetime ago, but the meaning of the events that took place in Armenia back in 1915, and before that as well, should still be very vivid for us. In recalling them, we may be doing a service, not just for the Armenian community, but also for the many communities which make up this multicultural land of ours here in Canada.

I share the concerns expressed both by the spokesman for the government and by the leader of the Liberal Party. We will be supporting the resolution which is put forward, asking not just that there be a commemoration of the genocide that took place,

but also asking for specific action from the Parliament of Canada.

People should know that the treatment which was meted out to the Armenian people was not just a one-time affair which took place in the heat and passion of a great world war in 1915, but that the persecution had gone on for generations before that. The dividing up of the Armenian homeland began as many as four or five centuries ago. Like other nations which have experienced the same kind of treatment, it got to such a point that as long ago as at the time of the Congress of Berlin in 1878 efforts were made to try and prevent any further outrages taking place.

In 1894, more than a lifetime ago, the Armenians suffered an orgy of killing and brutalization which shocked the most hardened observers of what was then a very harsh rule from Constantinople. By 1915, even the British, who had been silent up until then, were shocked into protest at the treatment of the Armenians by the British government's then friends in the country of Turkey.

Two-thirds of the population of Armenia perished. The rest were scattered to the winds to live in various parts of the Middle East, to come to this country, to come to the United States and to come to every corner of the world. More tragic still is the fact that even since that act of genocide the Armenians have suffered the problems of being a persecuted people constantly on the move. There are Armenians today who are being compelled to leave Iran in the wake of the recent Islamic revolution there, a revolution which has led to them as Christians being unwanted and therefore subjected to persecution.

In this country, we were not able to intervene actively at the time of the original outrages that took place in Turkey. We did, however, take a substantial number of Armenian orphans. They settled in Georgetown. It is a tribute to the people of that time that we were at least that open-minded, that we were prepared to step in in an humanitarian way in order to help Armenians in their spread around the world. That was the foundation of the Armenian community which is now active here and whose people are now productive in our country.

I want to salute the dedication of these people to their new land, their hard work and their commitment to Canada as well as to the memory of their homeland. I want to underline our commitment as a party, not just to multiculturalism and to giving scope for Armenians and people from dozens of other lands who have found a new homeland here, but also our concern for Ar-

menians and any other peoples around the world who are separated from their homelands and now find it well nigh impossible ever to return.

Almost everyone in this House has some personal experience or is not so old as to not have had some friends or relatives who had personal experience of the Second World War and of the holocaust. It gives us pause, however, to know that this was not just an isolated event, but that genocide occurred before and, presumably, unless we are vigilant could occur again. I'm very troubled to hear that among young people who are today's students in our universities and colleges, too many of them are not genuinely aware of what that meant, whether it was for the Jewish people in Germany and in eastern Europe during the Second World War or whether it was for Armenians back in 1915.

So in commemorating the genocide and offering our support for the resolution the Leader of the Opposition has put forward, I want to do so with a spirit of saying that we as Canadians cannot condone this kind of genocide wherever it occurs or wherever it may be threatened in the world. One of our goals in creating a civilized world order should be to ensure that no such genocide will ever occur again.

STATEMENTS BY THE MINISTRY

HISTORY OF LEGISLATURE

Hon. Mr. Henderson: Mr. Speaker, I wish to bring to your attention and to the attention of the honourable members a new book by Professor Eric Arthur, entitled, "From Front Street to Queen's Park."

The book is the history of the Legislature of Ontario and the buildings in which the work of the Legislature is carried out from 1792, when Governor John Graves Simcoe first set foot on Upper Canada's soil, to 1893, when the present Legislature was opened to the public. A special chapter describing Ontario's art collection has been written by Miss Fern Bayer, an employee of the Ministry of Government Services, who has been responsible for the great improvements in the display of the pictures in this building which members will be aware of.

The book is now on sale to the general public in bookstores and is in stock in the Ontario government bookstore. The retail price is \$22.50. I wish to advise members that I have arranged for a supply of these books with a bound-in presentation page which are available to members at \$20 per copy. Arrangements to purchase these books should be made through the office of the

director of administration of the Legislative Assembly.

Being aware of the keen interest you have always taken in this building and the great interest of all members, I take great pleasure in presenting a copy of the book to you, Mr. Speaker, and a complimentary copy—

Interjections.

Hon. Mr. Henderson: —is being sent to each member of the Legislature.

Mr. McClellan: Give him control of the building and you can have the book back.

Hon. Mr. Henderson: In the years to come, it will serve as a reminder of the years spent working in this building in the service of the people of Ontario.

Seated in the Speaker's gallery are Professor Eric Arthur, his daughter, Mrs. Leach, and Miss Fern Bayer, the people who are responsible for this fine book.

Mr. Riddell: Are you mentioned in the book too?

Hon. Mr. Henderson: Members will have to read it to really find out. I would suggest the honourable members will sit up burning the midnight oil tonight to read it.

ITALIAN CANADIAN BENEVOLENT CORPORATION

Hon. Mr. Henderson: During the estimates debate last Friday, I was asked by the member for Oakwood (Mr. Grande), the member for Dovercourt (Mr. Lupusella) and the member for Downsview (Mr. di Santo) to table documents relating to the purchase and subsequent resale to the Italian Canadian Benevolent Corporation of certain properties at 3044 Dufferin Street and Lawrence Avenue. I have secured copies of the various pertinent documents and I now wish to table those with the following explanation.

The documents cover the agreement-to-purchase negotiations with George B. Heenan Limited and the various deeds and quit claims which applied to that purchase. Included is the current lease by which the Italian Canadian Benevolent Corporation occupies the property. Also included are letters covering the agreement of the Italian Canadian Benevolent Corporation to purchase from the government, together with the deeds and mortgage.

Mr. Speaker, I would draw to your attention the covenant in the deed which reads as follows: "The grantee covenants with the grantor that the said lands and premises shall not be used for any purpose other than for the purpose of providing community service for a period of not less than 25 years from

the date of registration of this instrument and, further, that during the said period the said lands and premises will not be sold, leased or otherwise disposed of to any organization other than a community services organization with the approval in writing of the grantor. Should the grantor not approve of any such proposed sale, lease or otherwise disposal of the said property and should the grantee not be prepared to withdraw from the same, then the grantor shall have the right to repurchase the said property at the price paid by the grantee for the said property."

I have supplied 10 copies of these documents so that one copy each can be provided for the use of the leaders of the two opposition parties, the two opposition critics and the three honourable members who raised questions during the estimates, and three copies for the Clerk.

I hope the material I am now tabling meets the undertaking I gave to the committee of supply on Friday.

SHORTAGE OF SKILLED WORKERS

Hon. Mr. Grossman: Mr. Speaker, you will recall that questions were raised in this House last week about the recruitment of skilled workers abroad for job vacancies here in Ontario. As this recruitment is done by my ministry, I thought I would clarify some background and provide some facts and figures concerning our selective placement service. This branch, I might add, is one that has been considered vital by both industry and the work force in this province.

For the past three years it has been evident that Canada, like many countries, is facing gaps in its match of skills. These gaps are the result of several circumstances.

While my colleagues the Ministers of Education (Miss Stephenson) and Labour (Mr. Elgie) have both spoken at length about the education and labour force elements of this problem, from the industrial side it is clear that the energy crisis and others have forced us to move faster into a high-technology situation than earlier anticipated.

Over the past few years, there have been considerable losses in jobs in the semi-skilled and unskilled categories and considerable increase in products in the high-technology areas such as the telecommunications, aerospace and automotive industries. This is a development that is widespread, not only in Ontario but also throughout Canada and the United States, I would point out to my friends.

Mrs. Campbell: Not in Britain, not in Japan, not in France.

Hon. Mr. Grossman: In fact, companies in various areas of the United States have been advertising extensively for skilled workers from Canada and other countries, often with successful results. It was recently announced, for example, that the US government has given permission to American employers to bring in approximately 2,000 skilled persons from outside that country to meet US skilled job requirements.

Having anticipated these problems, the Ministry of Industry and Tourism, through the selective placement service, began four years ago to attempt to fill these gaps of skilled workers while at the same time promoting the expansion of the government's apprenticeship and industrial training programs.

Interjections.

Hon. Mr. Grossman: Settle down; it's a long day.

Mrs. Campbell: Yes, it's a long day when the minister speaks.

An hon. member: How is the minister's cold?

Hon. Mr. Grossman: We will get the member a new seat, John; relax.

Mr. Nixon: The member for St. George is getting to the minister a bit.

Hon. Mr. Grossman: I have lived with her too long—if my friend knows what I mean. His caucus knows what I mean. Our program provides for a full range of services including—

An hon. member: Withdraw.

[2:30]

Hon. Mr. Grossman: Are you talking to me or her?

Our program provides for a full range of services, including ascertaining specific areas where certain skills can be found; advising on and placing international advertisements; arranging interviewing programs; expediting immigration documentation; and prospective employees and immigrants with updated information on Ontario.

This program is now used by Ontario employers who need their gaps in skilled job areas filled for the short term.

The whole point of the program is it not only enables the industry to carry on rather than relocate or raid other small industries, but it directly creates employment for the unskilled and semi-skilled whose jobs feed or rely upon the services of these skilled employees.

For the year ending 1978, 1,026 skilled and technical immigrants were brought into On-

tario under the selective placement service program. Their arrival resulted in the creation of 7,800 new jobs, including 1,100 jobs in industrial and apprenticeship training.

Mr. Speaker, I cannot emphasize enough the importance of this program. Without it large manufacturing industries, which are now expanding, are in many cases left with three choices:

1. To decide not to proceed with their expansion;

2. To ship out their tooling and manufacturing work to the US;

3. To proceed with expansion and attract skilled workers from smaller Canadian manufacturers who cannot match their higher wages and benefits.

Obviously, none of the above alternatives will be good for our industries or for our workers.

The selective placement service has worked closely with both unions and companies in an attempt to provide options to reduced operations or to raiding. This has proved to be very successful, especially in the Windsor area where skilled trades are at a premium.

Mr. Speaker, I want to emphasize this importing of skilled labour is done under strict control.

Mr. S. Smith: That is not the issue.

Hon. Mr. Grossman: Employers who use the skill search program are required to establish industrial and apprenticeship training within their companies.

Mr. S. Smith: Why do we need them?

Hon. Mr. Grossman: Those who do not establish such programs are refused additional requests under our selective placement service—

Mrs. Campbell: And additional money.

Hon. Mr. Grossman: —and are restricted from importing skilled labour by the federal authorities. Our ministry follows up with the employers to audit the apprenticeship training within these companies.

Mrs. Campbell: How long have you been in office?

Hon. Mr. Grossman: Over 80 per cent of the Ontario employers who used the skill search program in 1978 now have in-house skill and apprenticeship training.

I want to deal specifically for a moment with questions concerning General Motors raised last week.

On March 8, 1979, General Motors representatives met with officials of my ministry to discuss skilled labour shortages. The com-

pany's operation in Windsor is one of manufacturing transmissions and has planned for an expansion of 1,500 employees, of whom 270 will be in the highly-skilled metal cutting trades. At the present time, over 80 per cent of skilled tradesmen in the metal cutting industry are over 40 years of age. The majority of them were trained outside Canada and became available through past immigration policies.

General Motors' expansion of its transmission operations in Windsor will mean an increase in employees from 1,250 now to 2,750 by April 1981. The total expansion will require 270 skilled tradesmen with only 95 being recruited outside Canada.

As always, before beginning any recruitment for General Motors, representatives from my ministry consulted with the Employment and Immigration Commission and with the Ministries of Colleges and Universities and Labour to ensure the company's skilled labour recruitment was justified. As a result, the various provincial and federal agencies involved agreed that in order to meet its planned expansion, General Motors be allowed to recruit 95 skilled employees from Europe.

General Motors has already demonstrated co-operation concerning apprenticeship training and now has an apprenticeship training program. Recent arrangements with the Ministry of Education will include a further 111 apprentices in this program. By April 1981 there will be 137 apprentices in General Motors' training program. The recruitment of 95 skilled workers will allow General Motors to implement its expansion program and will also provide skilled instructors for the company's apprenticeship training programs.

It should be noted that when General Motors found it necessary to seek 95 skilled workers outside Canada, the company discussed the hiring of this additional labour force with their own union local 1973. Two union representatives sit on the company's hiring committee. In addition, the international union in Oshawa was also informed about the company's plans and agreed with their actions.

To summarize, it is important to put our selective placement service in perspective. This service simply fills gaps where we do not have skilled workers to match jobs and ensures that expansion will take place to create employment for Canadians. I think it is important to note that out of 200,000 registered skilled jobs in Ontario we only have to follow this route to fill about 1,000 job vacancies per year.

While my colleagues and I work to expand our programs to better meet long-term situa-

tions, our province, like many jurisdictions throughout the world, faces short-term job match problems. Without finding skilled workers quickly, we will be short of the necessary people to train our Canadian work force over the next generation. As well, we will face the immediate loss of some manufacturing opportunities which may seek other jurisdictions which either have or, I might emphasize, are willing to acquire the skilled workers needed.

Mr. Martel: Where have you been all along?

Hon. Mr. Grossman: At the moment, through the selective placement service, we are able to co-ordinate the needs of large firms and, hopefully, we are able to fill those needs rather than have a competition for skilled workers which might be fatal for some smaller firms.

May I conclude by emphasizing that this program is by no means an alternative to encouraging our young people to undertake apprenticeship training programs. Rather, it is a short-term supplement, in some cases, to permit that very training to continue.

No matter how successful we are towards this goal, and we believe we will be, we, like most other jurisdictions, will face short-term job match gaps. In order to protect our work force and our industry, we will continue to try and solve this problem.

APPRENTICESHIP PROGRAMS

Mr. Cassidy: Mr. Speaker, on a point of clarification: This morning on the radio the Minister of Education stated that I had given incorrect information last week when I gave figures to indicate a drop in the number of active apprentices in certain trades between April of last year and February of this year.

I have taken the opportunity to check the figures. They came to us from the director of the industrial training branch—from his office in her ministry—and they show specifically that the number of steamfitters is down from 610 last year to 606 this year; the number of electricians taking apprentices is down from 4,202 to 4,033; the number of millwrights down from 349 to 131 this year; and the number of mould makers down from 202 last year to 167.

These are the figures that I gave in the House last week; they are accurate according to the figures we have from the minister's own ministry, and, therefore, it has to follow that the minister gave inaccurate information for the public of Ontario this morning.

Hon. Miss Stephenson: Mr. Speaker, the figures which the honourable leader of the

third party has provided do not match the figures provided by the industrial training branch and all other sources of information we have. I do not know where he is getting his figures, but we are checking and double checking his sources because they do not seem to comply with any of the figures we have.

Mr. Nixon: One of you will have to resign.

Hon. Miss Stephenson: Indeed, with regard to the numbers he is talking about for millwrights, specifically industrial, the decrease is four over one year, from 524 to 520. I have no idea where he is getting his figures, but I shall check and be sure to report to this House.

Mr. Warner: Totally inaccurate.

Mr. Cassidy: Completely inaccurate.

Mr. Warner: Why don't you resign and get it over with? You really should.

Mr. Cooke: On a point of privilege, Mr. Speaker; last Friday in this Legislature the Minister of Education made a statement that my information that I presented in this Legislature was completely erroneous when referring to recommendations that the Ontario Council of University Affairs had made to the government. I had stated that for the last two years the government had rejected the recommendations on funding. The minister said, "That, of course, is entirely erroneous."

I would like to point out that in 1978-79 OCUA recommended that the government fund universities \$757,800,000; they received \$745,000,000. For 1979-80 OCUA recommended \$995,000,000 which included tuition, and the government gave \$981,000,000. Clearly my information was correct and the minister was wrong again.

Hon. Miss Stephenson: Mr. Speaker, it would be more appropriate if the honourable member were to reread his entire statement, which was not related only to funding recommendations from OCUA, but was related to a number of other issues as well, including the development of a formula for funding, which is the formula which has been accepted by the ministry. That is entirely truthful and factual and that was the portion of the statement to which I was referring specifically.

Mr. Breaugh: Go back to China.

ORAL QUESTIONS

REED PAPER COMPANY

Mr. S. Smith: Mr. Speaker, I would like to address a question to the Minister of

Industry and Tourism in the absence of the Treasurer.

Can the minister confirm the article which appeared in the Toronto Star on Saturday, indicating that the Allan committee has recommended against a grant of \$26 million to Reed Limited on the basis of the alleged non-viability of the Dryden operation? Can the minister, in particular, tell us whether any financial information was given to Mr. Allan's committee by the company or by others which was not given to the resources development committee that has recently been discussing very much related topics?

Hon. Mr. Grossman: No, I can't.

Mr. T. P. Reid: You are right on top of everything, aren't you?

Mr. S. Smith: By way of supplementary, is the minister saying he can't confirm that the Allan committee has rejected the application or that he can't confirm whether it had additional information or both?

Hon. Mr. Grossman: Both for now. It shouldn't be too much longer, I think, until we may have more to say on the first.

Mr. S. Smith: By way of a further supplementary, may I ask the minister whether the Allan committee report will be tabled with the resources development committee? If it contains no new information, then there is no problem of confidentiality with regard to the company. If it doesn't contain new information, then at least a different construction has been put on it than that made by the Minister of the Environment (Mr. Parrott), who has expressed the opinion that the matter is viable and that they could clean up by a certain date.

Given that the resources development committee is about to make a decision on this matter, would the minister be sure that the Allan committee report is made available to that committee as soon as possible?

Hon. Mr. Grossman: Of course I can't. The Allan committee, as the Leader of the Opposition calls it, is a committee which is reporting to the Employment Development Fund board, which is essentially operating as a committee of cabinet.

Mrs. Campbell: You are mad because you are not the leader of it.

Hon. Mr. Grossman: Just think about it. Documents are filed with the government on many occasions. For example, a lot of small firms that file documents with ODC in seeking loans do so under rules of confidentiality. They wouldn't want to see their records handed over by me, nor could I do so, to a committee of the assembly.

Mr. S. Smith: Of course you could.

Hon. Mr. Grossman: I think it is a very relevant question for the committee to put. Indeed, I would be pleased to put it to Reed on behalf of the committee, saying, "Would you be willing to ensure that everything filed with the Allan committee or with the Employment Development Fund is available to the resources development committee?" Obviously, I am not at liberty to turn over anything under the current circumstances.

Mr. Laughren: Supplementary question: Would the minister table with the House all of the criteria on which decisions on grants from the EDF will be made? Further, will he assure us that no information has been withheld from the committee, based on information he has, which would allow the committee to determine whether or not such a grant should be approved?

Hon. Mr. Grossman: I think the last part of that question is asking whether I would compare the information, advice and position taken by Reed in front of the resources development committee to the position taken by Reed in its application to the EDF. Is that a fair statement?

Mr. Laughren: The information you have.

Hon. Mr. Grossman: As I indicated earlier, I will be happy to put to Reed the question of whether they might make all the information they made available to the EDF available to the resources development committee. I really can't do anything outside of that.

Mr. S. Smith: Mr. Speaker, if I may finish with a further supplementary, since Reed did put a very large amount of financial information at the disposal of the resources development committee and presumably put either the same information or somewhat different information to Mr. Allan and his colleagues, would the minister not see the importance of letting the resources committee have Mr. Allan's opinion on the basis for his committee's opinion even if the information is the same, given that the construction put on that information by Mr. Allan and his committee seems diametrically opposed to the construction put on the same information by the Minister of the Environment? Under these circumstances, would the minister not agree the committee would be better served, at a very important point, by having the basis of the opinion of Mr. Allan and his colleagues?

[2:45]

Hon. Mr. Grossman: I really don't see how the Leader of the Opposition can suggest

the interpretation put on that information—the conclusions of the Allan committee as it were—varies dramatically and completely with that of the Minister of the Environment. The Allan committee is charged with a lot different considerations and wider considerations than is the EDF. When the EDF is considering the application, we have a lot more things to look at.

Just to name one—and I'm not saying this happens to be one which applies to Reed—but as an example we would be considering sourcing machinery in Ontario. That is not the same sort of consideration, obviously, that the Minister of the Environment would face as he looks at the situation.

It was made clear in the appendix to the budget that economic viability is a major part of the conclusions drawn by the EDF, and the fact that an application may not ultimately be approved doesn't mean the economic viability of the entire project is not there. It may simply mean we don't think the leverage created for our contribution is sufficient. It may mean, on the other hand, that we conclude it ought to go ahead and can go ahead without government assistance.

So economic viability isn't the be-all and end-all of the operation. It is an important component, but there are lots of other things that could happen to impact on the decision of the EDF. This is entirely consistent with the position taken by various members of the opposition with regard to the various elements that we should consider, far afield from economic viability.

COMMISSION PAYMENTS FOR LEGAL SERVICES

Mr. S. Smith: I'll ask a different question because we'll have a chance, I'm sure, to come back to this matter.

Is the Attorney General aware of comments of the provincial auditor with respect to the use of private sector legal counsel by royal commissions?

I quote from the auditor's memo dated February 19, 1979: "The manual of administration, 50.8, in reference to commissions, requires that billings from private sector legal counsel for amounts in excess of \$1,000 be submitted to the Ministry of the Attorney General for review and approval before payment. The billings on file at the commission offices did not bear such approval." He is referring to the Hartt commission billings.

This is not the first time the provincial auditor has commented on this subject. The comments are very similar to those he made on the Royal Commission on Electric Power

Planning. To the knowledge of the Attorney General, how is it that these funds for legal counsel are expended without his authorization?

Hon. Mr. McMurtry: We are to authorize the payment of these amounts. I'd have to look at any individual situation to see what had happened in that instance, if there was a payment made by another ministry without seeking our authorization. There might be a valid explanation; there might not be. But I would like to have the specifics as to the accounts to which the auditor refers and attempt to inform the Legislature to the best of my ability as to why this authorization was not sought.

Mr. S. Smith: By way of supplementary, since the details are now available to the public accounts committee, and I'm sure can easily be transmitted to the Attorney General, and in view of the continuing litany of these habits of expenditure without proper accounting authority which seems to go on in royal commissions, will the Attorney General make a statement to the Legislature as to how those happened without his approval? Secondly, could he advise as to precisely what action he is taking to make sure this doesn't keep on happening?

Hon. Mr. McMurtry: I'll be quite happy to look at this matter. We do try to monitor it as we go along and report back to the Legislature.

Mr. T. P. Reid: Supplementary, Mr. Speaker: Will the Attorney General as well perhaps examine the kind of work that was done by these very costly and high-priced lawyers for the Royal Commission on Electric Power Planning and the Hartt commission to determine whether or not people within his own ministry could have provided the advice at their salary level out of his budget, rather than paying what I consider to be exorbitant prices to lawyers to these royal commissions?

Hon. Mr. McMurtry: I'd like to make a general comment in response to the honourable member's question. I think there is a great deal of very expert legal assistance available within the ranks of government. I can say that opposition members in the majority of the select committees are very reluctant to utilize these resources and often will go outside the government. Speaking very personally, my own view is that there are resources that are sometimes under-utilized within the government service. I would like to see members on all sides of the House support the greater utilization of these resources.

Mr. J. Reed: Things must be pretty tough.

Mr. Ruston: I thought you were cutting back.

Hon. Mr. McMurtry: Taking the select committee on Ontario Hydro affairs, for example, I'm not suggesting a committee such as that has not been well served by the quality of expertise that has been made available to it. Obviously, on occasion there is a high degree of specialization required if a committee is going to be assisted.

Mr. T. P. Reid: We're talking about royal commissions, not select committees. That's a different issue.

Hon. Mr. McMurtry: I just wanted to make that general observation.

Mr. Nixon: They are your babies and nobody else's. You pass the order in council. They are your royal commissions.

Hon. Mr. Davis: You initiated some of them.

Mr. Nixon: Not enough of them, just one or two, mind you.

I have a supplementary. Since the question deals specifically with royal commissions appointed by order in council and since the payments were made without the authority of the Attorney General, would he consider having the bills taxed by the Law Society of Upper Canada, since they seem to be so large and since they were unauthorized by the employer?

Hon. Mr. McMurtry: The Ministry of the Attorney General is not responsible for the administration of all royal commissions.

Mr. Nixon: The auditor says you are.

Hon. Mr. McMurtry: I think the Hartt commission is an example where, quite clearly, we were not involved.

Mr. Nixon: It requires your approval.

APPRENTICESHIP PROGRAMS

Mr. Cassidy: I have a question to direct to the Minister of Education. In directing this question to the minister, I want to stress that the figures I will be using come from the industrial training branch of her ministry, which is where the figures we used last week came from.

Mr. Warner: She'll probably still say they're wrong.

Mr. Cassidy: They are from the director's office, for that matter. I hope the minister will be prepared to accept them.

How can the minister claim that Ontario's apprenticeship programs are adequate when over the course of the last five years we have seen the creation of only 7,800 extra positions

for apprentices, while unemployment among workers under 25 has gone up by 73,000 and the total number of workers under 25 in the labour force has gone up by 236,000? Is the minister aware that the rate of growth of apprenticeships in Ontario over that five-year period has only been half as great as the rate of growth of unemployment among young workers? Do she and the government consider that to be an adequate response to our needs for skilled workers and for youth employment?

Mr. Swart: She probably does.

Hon. Miss Stephenson: Mr. Speaker, the answer to the last question is no. The answer to the penultimate question is that I am aware of those figures. The answer to the first question is that I have never suggested they were adequate figures or that our apprenticeship program and our employer-sponsored training programs were adequate to meet the needs of today.

Mr. Warner: Admit you're a failure. What are you going to do about it?

Hon. Miss Stephenson: I have spent much of the time in my role as Minister of Education and Minister of Colleges and Universities, in conjunction with the efforts which were made by my predecessor in this area and with my colleagues in the Ministry of Labour and the Ministry of Industry and Tourism—

Mr. Warner: You should be retrained.

Hon. Miss Stephenson: —developing programs to increase the availability of training opportunities for young people. We have, as I said earlier, a major role to fulfil in the modification of attitudes in order to ensure that more young people will consider these career choices as optimal for them.

Mr. Cassidy: Since the minister has now repudiated the work of her predecessors in providing for adequate apprenticeship in the province and since she has now indicated clearly that in 35 years this government has not managed to put in place an adequate program of apprenticeships in Ontario, can the minister say when there will be an adequate apprenticeship program in order to ensure there is none of this recruitment of skilled workers from outside the country? In particular, can she assure us there will be adequate numbers of skilled workers from Ontario or from Canada available in order to fill the 500 positions being opened in the Ford engine plant at Windsor?

Hon. Miss Stephenson: I never cease to be amazed at the capacity of the leader of the third party to distort statements into

something totally different and to ignore facts in the pursuit of political activity. I do not have a crystal ball, nor do I support the concept of totalitarianism, which seems to be the policy of the members opposite.

Recognizing the fact we have not been able to meet the needs of industry in this province, we are working diligently in the direction of informing, providing information and helping young people to develop the capacity to move in that direction.

Mr. Cassidy: A point of privilege. I consider my privileges and the privileges of this House have been breached by the minister's use of the word "totalitarianism" and that it should be withdrawn.

Hon. Miss Stephenson: I am sorry, I could not hear what the honourable member was saying. He suggested his privileges were breached, but I am not sure what breached them.

Mr. Warner: Withdraw the remark or resign.

Mrs. Campbell: Supplementary to the minister's answer relating to attitudes: Has she given any consideration to the fact many of our young people are interested in the apprenticeship programs, provided they understand they can continue in the development of those skills through colleges or through polytechnical education? Has she considered that aspect in the attitude of our young people?

Hon. Miss Stephenson: This is very clearly an absolute necessity to consider, because indeed the program we feel is most appropriate for most young people to pursue is the development of a certain level of skills immediately following their graduation from secondary school, with the vocational training that is available within the secondary school providing credits in their apprenticeship program for that program; the development of a medium level of skills; and the pursuit of further skills through the community college system or through the modular education program which may in fact be provided right within industry, developed in conjunction with the community college or with the polytechnical institute.

We are looking at all aspects, because we believe one of the problems in the past has been the rigidity of the program. That rigidity must be overcome if we are to meet, not only the needs of industry, but also the needs of our young people who may not have the aspirations to go beyond a certain level at the time they begin an apprenticeship program, but develop that kind of aspiration as a result of years of experience.

It is becoming increasingly obvious that a number of people at present working at a skilled or semi-skilled level wish to pursue further their education at this time. We are trying to develop right now through community colleges and, indeed, through universities, the capacity to increase their knowledge so that they can move on to other levels of occupation as well.

Mr. Cassidy: As a supplementary: I want to reiterate to the minister the rate of employment among young people has been rising by twice the rate of increase in apprenticeship positions in Ontario over the course of the last five years. When will the minister stop trying to blame young people for failing to take apprenticeships and start ensuring the rate of growth in apprenticeships is rising by at least as much as the rate of growth in unemployment and it is hoped by a lot more?

[3:00]

Hon. Miss Stephenson: That is yet another example of the distortion of statements which I have made. I have said specifically that it seemed to me at this point it was totally unproductive to assign blame to any one group. We all share the blame, including the members of this Legislature and the members of government. Parents, young people, teachers, industry, trade unions, all of us share the blame.

I really don't think we're going to get anywhere by assigning blame to one group or to another group. The thing we need now is the co-operation and the concern of all the groups involved so that we can proceed with the development of the kinds of programs which are going to meet the needs of our young people and the needs of employment within our industries.

Mr. S. Smith: How can the minister continue to deny responsibility for the shocking state of affairs where jobs are going begging while the unemployed youth are finding themselves dispirited? In particular, what happened at Stelco? How is it that Stelco has been able to be planning the Nanticoke expansion for so long, finally found itself in a position with its new plant built and had to change its production methods and plans because, although it pays a top dollar, it couldn't get the skilled workers even there in the golden horseshoe and in the Nanticoke plant? We knew the thing was being planned for years. Why couldn't the government have worked together with Stelco to make sure that these skilled workers would be there instead of potential workers being

unemployed young people, dispirited as they are?

Hon. Miss Stephenson: Mr. Speaker, I think the Leader of the Opposition is reciting now precisely what our intent and our actions are devised to pursue at this time and in the future. We are not alone. Every jurisdiction in Canada faces the same problem and so does the United States. I have said before that we all share blame in this area. To assign it all to government is entirely unrealistic and I think self-defeating at this point.

[Later (3:14):]

Mr. Speaker: Before I recognize the member for Kitchener, the member for Ottawa Centre got up and accused the Minister of Labour of saying something that was a breach of his privileges—

Mrs. Campbell: It was the Minister of Education; not the Minister of Labour.

Mr. S. Smith: The former Minister of Labour.

Mr. Speaker: Oh, sorry; the Minister of Education. She asked what the honourable member was taking exception to, and it was the use of the word "totalitarianism," and attributed that to a particular party in this House. I do not think anybody involved in the parliamentary process should be accused of that, and I think the honourable minister should withdraw it.

Hon. Miss Stephenson: Mr. Speaker, I withdraw the word "totalitarianism," and use the words "centralized authoritarianism" instead, if that is acceptable.

[Reverting (3:03):]

FOOD PRICES

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. In view of the fact that the withdrawal of the federal subsidy added 3.2 cents to the cost of a loaf of bread, can the minister explain why the cost of bread has gone up by at least seven cents since the beginning of the year, and can he tell this House when the government will act to provide the monitoring of food prices that the minister has promised for months and which was promised in the throne speech at the beginning of March?

Hon. Mr. Drea: Mr. Speaker, at the particular time that the federal government decided to withdraw the subsidy on milled grain there was an argument between the minister in charge of the wheat board in Ottawa, Mr. Lang, who pegged the price of

five cents going into a loaf of bread, and some other people who gave a lower figure. At the same time, it must be recognized that the bread industries said there was a production increase that had been coming for some time, and if I do recall, the leader of the third party at that time was profoundly upset because the figure mentioned for the price of a loaf of bread in projections was 13 cents. The seven cents is composed of five cents—

Mr. Cassidy: That's all right, is it?

Hon. Mr. Drea: No, you asked me a question; I told you five cents was accountable as far as the minister in Ottawa in charge of the wheat board was concerned, who knows something about wheat. That was five cents. The other two was a production increase which the industry announced at the time. The industry at that time had projected even higher costs and so far only that relatively small amount has been put forward. If the member is going to suggest to me that I'm in a position to tell the federal government as of this day what subsidies to put on and what subsidies to take off, then obviously he is looking forward to a very great day on May 23, and it won't be with his party.

Mr. Cassidy: Supplementary: Since the minister says the 17 per cent increase in the price of bread and bread products over the course of the past year isn't a very big one, is the minister aware of the fact that the price of flour has increased by 25 per cent over the course of the last three months, which is double what it would be with the withdrawal of the subsidy, and will he tell the House when will we get the provincial monitoring of food prices and explanation of why food prices are going up, which has been repeatedly promised and never delivered by this government?

Hon. Mr. Drea: Mr. Speaker, let's answer the second one first. I said in December of this year, much to the consternation of the leader of the third party, that we would begin monitoring food prices. It seems to me the formal announcement of that program was made in the speech from the throne. It will be very, very, very soon; in fact a lot sooner than the leader of the third party would like.

Mr. Warner: Today? Tomorrow?

Hon. Mr. Drea: The reason for it, Mr. Speaker, is we are not adopting the federal system. We are not doing surveys. We are not relying upon the CPI. We are bringing in an Ontario system that won't reflect percentages, that won't be weighted in terms of the season, that won't reflect other Canadian

averages, but will reflect 39 centres across this province, not just Toronto. It has taken us some weeks to provide a proper base for that.

I didn't recall the member saying 17 per cent on bread; I recall him saying seven cents and I didn't say that I regarded it as a very little amount. The member asked for an explanation and I gave it to him.

In terms of the price of flour, if memory serves me correctly, flour has gone up a little bit more than the amount the member gives and I am not very happy with the very sharp price increases. These increases were triggered by the removal of the federal subsidy in December 1978. As a matter of fact, regarding the member and his 25 per cent, in the month of December alone, flour moved up 42 per cent with the removal of that subsidy. Since then it has remained relatively unchanged in the first three months of this year. There's no question that the very sharp increase in December in the price of flour has led to increases of between 10 and 14 per cent in prices of products that use flour.

Obviously the amount that the price of flour went up very sharply in December was not accounted for only by removal of the subsidy. Flour manufacturers at that time, or flour producers at that time, obviously decided that the removal of the federal subsidy had freed the price and therefore they would go into catch-up.

Mr. M. N. Davison: Supplementary, Mr. Speaker: In view of the proven effect of corporate concentration and vertical integration in artificially inflating the price of food, is the minister not concerned that in a great many stores in southwestern Ontario, specifically the Zehr's chain, seven out of the eight brands of bread on the supermarket shelves are made by George Weston's subsidiary, and that Weston's also owns the companies that produce the flour, the milk and the sugar, the distribution companies that handle them as well as the supermarkets that sell them? Does he not agree the consumers are paying very dearly for this kind of near monopoly control in the food industry?

Hon. Mr. Drea: Mr. Speaker, I don't agree with the last concept. I would suggest to the honourable member that there is a very detailed report on the degree of the concentration of corporate ownership in this country. It was done on a national level; it was done in Ottawa.

Mr. Laughren: They endorse the concentration, is that what you are saying?

Hon. Mr. Drea: I am just saying that people studied it for a long time, Mr. Speaker, and they did not exactly come to the conclusions as expressed by the member.

The question that was asked of me was, did I agree with certain aspects of the impact of the concentration of ownership in the food industry. I am saying to the member who asked the question that I do not, and that furthermore there was a very exhaustive study commissioned by the federal government in this regard and I think it somewhat backs my position.

JOB CREATION

Mr. Haggerty: Mr. Speaker, I would like to direct a question to the Minister of Labour. Is the minister aware that on March 13, 1979, I directed a question to the Minister of Industry and Tourism (Mr. Grossman) relating to the Ministry of Natural Resources' report towards a nickel policy of creating new industry and employment in the Sudbury basin? Can the minister inform the Legislature if his ministry is involved in job-creating programs and if any present studies are being carried out by his ministry or other ministries concerning the present lengthy Inco strike as it relates to any conditions of social or economic hardship in the Sudbury basin?

Hon. Mr. Elgie: Mr. Speaker, about a month or a month and a half ago, I asked members of the research branch to carry out such studies to give me some information on the impact of the strike in Sudbury, and I expect that information to be available shortly to me.

OHC TRANSFERS

Mr. Duksza: A question to the Minister of Housing, Mr. Speaker: In view of the fact that the Minister of Housing's advisory committee on community sponsored housing has expressed its opposition to the recent Ontario Housing Corporation policy, can the minister explain why his ministry will not allow tenants from OHC units to transfer to nonprofit co-ops unless they meet OHC criteria for internal movement within OHC and unless they have been involved within the co-op development for a year? Additionally, is it not the case that the nonprofit co-ops will not be able to fill their rent-geared-to-income units if OHC tenants are not allowed to transfer easily?

Hon. Mr. Bennett: Mr. Speaker, I think the member is referring to the fact that under our policy in OHC, made by the board of directors, if a tenant is to leave OHC under our rent-geared-to-income program, and not

under the rent supplement program, it is correct that we have not entertained that type of transfer from one public ownership to another where there is subsidy by the government. The fact is, if the tenant wishes to leave and become a resident of a co-op or nonprofit housing unit at something less than market rent, there is no objection to that whatsoever.

We have explained the position very clearly to the organization here in the city of Toronto that requested information and we have said we are prepared to meet with them if they think the regulation is not workable. We have not heard back from them at this point.

Mr. Duksza: Supplementary, Mr. Speaker; there are two parts to my supplementary. First, does the minister not recognize that co-op housing is a different kind of housing and that some OHC tenants may prefer it, and therefore is it not unfair to apply the same criteria for internal movement? Second, given the lengthy waiting lists for OHC accommodation, why is the minister not making it easier for some OHC tenants to transfer to co-ops if they wish to do so and thereby make room for new OHC tenants?

Just to reply to what he said, people have repeatedly asked the minister for a meeting to discuss this and for him to change the regulation but he has not responded.

Hon. Mr. Bennett: Regarding the last remark, Mr. Speaker, I most definitely have responded to the organizations in writing as to the position of the government and requesting them to give me their points of view on the subject of the policy.

Let me go one step further in relation to the co-ops and the nonprofits: While we recognize they work somewhat differently from Ontario Housing Corporation, the eligible people coming into Ontario Housing would qualify in the rent supplement program within the nonprofit and co-op housing. Instead of moving tenants out of OHC units and into the nonprofit and co-op units, and then redoing the units at OHC, the wise and most logical step would be to take them off the waiting lists and place them in the co-ops and the nonprofits.

Very clearly we have also had the situation where we have been requested in some communities for transfers from OHC accommodation to fill up nonprofits and co-ops so they can put themselves in a break-even position, while at the same time the waiting list in the community was not sufficient even to look after the vacancies to be created in OHC. So we would be creating a double-negative situation for the taxpayers of this province.

Mr. Duksza: Does the minister recognize that the people who live in OHC units should have the same rights as the people who are on their waiting lists in terms of transfer to the co-ops, which in some sense gives a greater opportunity for them to have their own place than when they are living in OHC units?

Hon. Mr. Bennett: We are not talking about them having their own place. We are talking about continuing to have a provincial government subsidy on the rent programs; that is what we are talking about. [3:15]

LEARNING-DISABLED CHILDREN

Mr. Breithaupt: Mr. Speaker, I have a question of the Minister of Education with respect to section 34 of the Education Act and its application to children with a variety of learning disabilities, particularly autistic children. Can the minister advise if she has now had the opportunity to review the brief sent in to her on February 21 by the Waterloo county chapter of the Ontario Society for Autistic Children? If so, can she advise if the promises made in the speech from the throne just a year before on that same date will be kept so that section 34 will not be used to compromise possibly the facilities available for autistic children, and the section will be amended so as to allay the concerns the parents have that this section may be used to the disadvantage of these children?

Hon. Miss Stephenson: Mr. Speaker, the brief of the Waterloo chapter of parents of autistic children has most certainly been received and perused with great care. That specific section is being examined in the light of their concerns. The response to their concerns will be a part of the package which is brought forward in terms of special education modifications. We are most certainly acutely aware of the concerns which have been expressed by that group.

Mr. Breithaupt: Supplementary: Can I take it from the minister that the package which is proposed will see amendments to the Education Act, at least, introduced in this portion of the session for further consideration by the House?

Hon. Miss Stephenson: We have asked for and are receiving at this time responses from various groups—from school boards, from trustee councils, the teachers' federation and others—about the proposals we have made and those are being collated at this time. We look to the kinds of responses we

are getting in order to help us design the most appropriate legislation and regulations to go along with it.

CANADA METAL COMPANY LIMITED

Mr. Renwick: Mr. Speaker, my question is of the Minister of the Environment. It relates to the lead contamination in the vicinity of the Canada Metal Company Limited plant and it is in two parts. I am grateful to the minister for his letters of April 3 and March 19 last, but quite obviously there has been a breakdown in in-plant vigilance.

The first part of my question is: what is the ministry going to do to make certain there is monitoring equipment inside the plant and vigilance in the plant to assure that monitoring equipment is working properly?

My second question arises out of the matter that was reported in the *Globe and Mail*, which I thought was finally ended and to which the Leader of the Opposition referred in the minister's absence last Friday. What is the extent and degree, to the knowledge of his ministry, of the present soil contamination in the area surrounding that plant which he commonly refers to as the community area, having regard to the soil removal program instituted and completed there in 1977?

Hon. Mr. Parrott: With regard to the first portion of that question, Mr. Speaker, I would wish to advise the honourable member we have a written commitment from the industry in question to increase its monitoring and to supervise the system much more effectively. That is a written commitment. I could be wrong in the amount of money that is required, but I think it is \$100,000 they have committed themselves to spend on this program. I can assure the honourable member we are insisting not only that the money be spent but that we will be making, on a regular basis, in-plant inspections to see the equipment is working and functioning properly.

Given that there have been occasions in the not too distant past where the levels were above what we think they should have been, I think we have every reason, and the member has every right, to expect that we will inspect the plant frequently and certainly insist that those standards be maintained.

With regard to the soil—and I am not sure I understood that question in its full detail—which will perhaps have to be removed if it exceeds the confirmed measurements, that we

will do. I am not quite sure whether that was the commitment the member expected from me at this time relative to the removal of the soil.

I understand that a lot of soil was removed. Frankly, we are not 100 per cent sure whether it was incomplete at that time, or whether it has been since. We are trying to confirm what the analysis will prove. I think whether it was one or the other is not nearly as important as that we will take on the responsibility to remove the soil wherever it shows to be in excess of the criteria.

Mr. Renwick: Mr. Speaker, my supplementary question is really again in two parts. Will the minister instruct the plant that if there is any failure of its in-plant monitoring equipment, the plant is immediately to cease operations until that is repaired? Second, will the minister have tests made of the soil of the 49 properties, and an additional 49 properties—the 49 where the soil was replaced in the summer of 1977, and 49 other properties—in order to find out whether or not the new soil is now contaminated, and the extent and degree of contamination in the properties where the soil has never been replaced?

Hon. Mr. Parrott: Yes. There is no question that we will insist that the new soil, as well as the old soil, be re-examined. That is part of the process that is going on right now. I can give the member an unqualified “yes” on that question.

With regard to the first part of the member's question, if there is a complete breakdown, certainly we will insist that they desist in their operation until such time as it can be effectively improved. If there is a variation in the operation, then it becomes, I think, a matter of degree. If it becomes significant, yes, we would do the same thing. However, we do know there will be some variation, and that variation becomes somewhat subjective.

We hope it will be below average on all occasions. I doubt if we can always come to that position; I wish we could. That is certainly the long-term goal, and when the new equipment is put in and is properly functioning, then I think there will be no problem coming to that goal. In the interval, I know we will insist on the proper functioning of the equipment. If there is a breakdown, we will expect the company to act accordingly.

They have to stay within certain limits, certain means, and many days they are below that. If they go above it, then I would think, if it happens frequently, they should obviously shut down. If it is on a very in-

frequent basis, and provided, as they have been in the past, they go well below the normal mean for a month, then there is quite a different decision that should, I think reasonably, be made.

Mr. Yakabuski: Mr. Speaker, I have a question I could direct to the Premier (Mr. Davis), I guess. In view of the fact that people involved in major sports in this country always feel the politician should keep his or her nose out of sports, I am a little reluctant to ask this question. But I am concerned, as are so many other Leaf fans across this province. The Leafs went down last night and there are those who feel—

Mr. Speaker: Order. That is not of urgent public importance.

HOSPITAL BED ALLOCATIONS

Mr. Ruston: I have a question of the Minister of Health. Is the minister aware of the recent refusal of Metropolitan General Hospital to admit a patient on April 6? When the patient was returned on April 9, he was admitted. However, seven days later the family was informed by the hospital and doctor they had waited too long to bring the patient in and there was very little hope of his recovery.

Hon. Mr. Timbrell: Mr. Speaker, the honourable member was good enough to give me a copy of a letter he had on this subject. Since receiving it 45 minutes ago, I have instructed the area team to check into the situation.

I think the point needs to be made that not everyone who arrives at the emergency entrance of any hospital is admitted. It is a matter of medical judgement as to whether the person should be admitted or detained for observation. I will ensure this is looked into and I will get back to the member with the details of the result of that investigation.

Mr. Cooke: Mr. Speaker, I would like to ask the minister if he is aware that when there are no beds available in these hospitals that has some effect on a doctor's judgement of whether or not to admit someone to an emergency room? This is the second case that's been raised from Windsor in this Legislature. There are others. I'm getting five a week; one a day. Do we have to bring a lot of horror stories in front of this Legislature to get the minister to act? I've made the minister aware of the problems in Windsor. Why doesn't he open up some more beds and make the active-treatment beds available?

Hon. Mr. Timbrell: Mr. Speaker, the honourable member is trying to have it both

ways. He was complaining at one point that in some hospitals at certain times people were being detained in emergency before a bed was available in a room. That would seem to indicate to me that in those cases the doctor has determined they should not be sent home, that they should not be allowed to leave the hospital but rather should be retained in the hospital.

It's interesting to look at the Windsor situation. There, through the rationalization process, we are in fact opening up more beds in the chronic field. The numbers will probably increase in the future, as studies that are currently under way by the local health council of chronic-bed and nursing-home-bed needs are completed.

In point of fact, the member may know we've discussed the question of the rationalization in that community. The current rationalization proposals are freeing up considerable sums of money for new programs such as the CAT scanner at Hotel Dieu Hospital, the neo-natal unit, chronic home care and so forth. The difference in beds overall is only 24, but it's a question of how they're going to be used appropriately to meet the health-care needs of that community. That's most important.

Mr. Ruston: Mr. Speaker, would the minister, in investigating this, look into the reason why the patient was transferred to Ford Hospital in Detroit?

Hon. Mr. Timbrell: Mr. Speaker, as I said, there's also the possibility—based on what the honourable member has told me and what I've seen in this letter—one physician has made one judgement and another has made a different judgement. That happens. The system does depend on the application of sound medical judgement. I will check into that as well.

[Later (3:33):]

Mr. Makarchuk: I have a question of the Minister of Health. Would the minister impose on the bureaucrats in his department and tell them to resolve the continuing dispute between his ministry and the Brantford General Hospital as to whether certain beds were closed or were not closed? As the minister knows, the hospital claims the beds were closed. His ministry has imposed a penalty on them and, as a result of the penalty, the hospital intends to lay off more than 30 people starting tomorrow and will close a certain wing. Would he get on to Dr. Dyer and a few of the others and resolve this situation soon?

Hon. Mr. Timbrell: I think the answer to that situation lies in the letter I sent to

the health council about a month ago indicating through them to the hospital that when they have come up with a rationalization plan agreed on by the health council and the local hospitals, that up to—I think the figure was \$384,000 would be added back into the budgets. That, I would think, is a strong incentive to get on with the rationalization of the hospital services.

Mr. Makarchuk: A supplementary: Is the minister aware the \$384,000 penalty imposed by his ministry was imposed on the hospital for supposedly keeping open beds? The argument is the beds were closed; the hospital claims the beds were closed. His officials claim the beds were there and were operating. Would he resolve that particular issue in which case the hospital would have the funding it requires to continue?

Hon. Mr. Timbrell: I think, Mr. Speaker, they're all part of the same issue and all part of the same resolution.

[Reverting (3:29):]

USE OF CREDIT CARDS

Mr. Breaugh: Mr. Speaker, I have a question of the Minister of Health. On February 23 the minister announced he was directing the College of Physicians and Surgeons of Ontario to prepare regulations forbidding the use of credit cards in doctors' offices. May I ask the minister, will that be cash or Chargex from now on?

Hon. Mr. Timbrell: Mr. Speaker, I did not direct the College of Physicians and Surgeons to create the regulations. I indicated I was referring the matter to them and would discuss it with them. I expect I'll do so when I see them next.

I saw them recently—and it was on the agenda—but the meeting went on, and that item wasn't covered. I expect it to be covered some time in May or June.

Mr. Breaugh: Supplementary, Mr. Speaker: I recognize the Globe is sometimes wrong, but the minister is quoted as saying: "The minister said of his request made by letter yesterday that if not acted upon he will use the authority given to him in the act to order the college to do it." Has he changed his position again?

Hon. Mr. Timbrell: Mr. Speaker, I think I should discuss the matter with the college. I may say on this particular subject I'm very impressed by the reaction to this particular situation and how many of our fellow citizens don't agree with me on that subject.

[3:30]

GASOLINE CONTAMINATION

Mr. Bolan: Mr. Speaker, I have a question of the Minister of the Environment, dealing with the situation in Port Loring with respect to gasoline leaks from storage tanks. Can the minister tell us whether or not his ministry has yet located new leaks from the gasoline storage tanks of Buchanan's garage in Port Loring which continue to contaminate the wells in that area? Why is it that it was the Argyle fire department which had to tell the ministry fresh gasoline was again flowing into local wells? Was the ministry not monitoring the situation as the minister told us they were doing back in November? Does the minister not have an obligation to make sure this situation is not a continuing problem?

Hon. Mr. Parrott: I think there is a little bit of an overstatement in that question, Mr. Speaker. I believe there's one unused well—that's my information today—that has some contamination. I don't think it's quite legitimate to say it's pouring in. If we can redress those two phrases then we can get to, I think, what is significant here.

Yes, there is some contamination still going on from the large tank owned by the gas station. We are having it dug up to find out the source, since that's where I understand it's coming from. We think it should be dug up and we'll find that source.

I think it's perhaps a bit unfair to say the leak is contaminating all of the wells in the area. I may have to tell the member tomorrow it's more than one well but, as of noon today, we're sure of one. I doubt if there are large numbers.

LIBRARY GRANTS

Mr. Bradley: I have a question of the Minister of Culture and Recreation. In the light of the fact that municipal councils at the present time are wrestling with their budgets and are finding it difficult to meet the cost of library services, taking into consideration other cutbacks that have taken place, is the minister in the process of reviewing, in the light of representations made to him, the per capita grants to municipalities for library purposes with a view to increasing it even a small amount?

Hon. Mr. Baetz: Mr. Speaker, we are reviewing the formula. I would not like to promise, at this point, that it should be changed, certainly not changed upwards. I would like to bring to the attention of the member opposite an article written by my counterpart in the province of Quebec in which he pointed out the provincial govern-

ment grants to the libraries here in Ontario were, by all odds, the best in the country.

While we are prepared at all times to review the formula, I think we should not leave the impression here that, in fact, the libraries are falling badly behind or this province is not doing its share in financing libraries.

Mr. Bradley: A supplementary: Recognizing that the minister is proud of the record of his particular ministry in this funding, would he not agree the ministry should at least try to keep up, not necessarily with the rate of inflation, but not allow the portion of library costs it is assuming to fall behind each year because it merely stays with a population formula as opposed to raising the per capita rate itself? In other words, the proportion the ministry is paying in total library services is declining each year because it only goes up because of population.

Hon. Mr. Baetz: That is an aspect of the formula we're looking at. But, as I said, I cannot guarantee we will be amending the formula upwards. We're certainly aware of the point that has been made.

PUBLIC HOUSING

Mr. R. F. Johnston: Mr. Speaker, I have a question for the Minister of Housing. Given the fact that limited dividend housing projects in Metro Toronto are suffering operating deficits; and given the fact the federal government, not known for flexibility, has agreed, subject to provincial involvement, to assume 50 per cent of those operating deficits on the accepted rent-geared-to-income formula, is the minister still unwilling to participate, thereby ensuring that some 10,000 senior citizens and others on fixed incomes in Metro will face enormous rises in their rents this year?

Hon. Mr. Bennett: Mr. Speaker, it's not a matter of the ministry not being ready to co-operate. Back a few months ago my ministry had a meeting with the chairman of Metropolitan Toronto and with the federal government as well. We came to a decision that we should establish a committee to review the entire proceedings of publicly supported housing in the Metropolitan Toronto region.

It is my understanding that three executive members of Metropolitan Toronto, appointed by the chairman, are on the committee, and three representatives from the Ministry of Housing, and that they have had a number of meetings. The latest report I had, which was just late last week, was that they had been proceeding in a very favourable way. I understood the funding we had been giving to Metropolitan Toronto on an ad hoc basis

over the last three years was conditional on the fact that we find some way of rationalizing the managing and directing of public housing in this area of the province.

That's exactly what the committee's challenge is at this moment: to rationalize its operation and report back to both the chairman and myself by the end of June of the current year. That will enable us, we hope, to rationalize the operation and indeed continue to afford the subsidy the province has extended over the last three years on an ad hoc basis.

Mr. R. F. Johnston: Supplementary: Does the minister intend, however, at this point to respond to the Metro chairman's challenge, if you will, to come up with a solution quickly and not allow senior citizens to be caught in a fight between two Tory groups in this province?

Hon. Mr. Bennett: I know of one Tory group; I'm not quite sure of the second one the member happens to be speaking of at this moment.

Interjections.

Hon. Mr. Bennett: The chairman seems sometimes to have at least some support from the government of this province; on other occasions, I wonder.

I have indicated clearly that Mr. Godfrey and I have agreed that this committee should review the entire problem and report back to us in June. Regardless of at what point we agree on a formula—it may be tomorrow—the flow of funding would only take place in December of the current year. There is no problem in the chairman saying there is a cash-flow situation that is being impeded by the provincial government. The fact is that regardless of when the agreement is reached, the cash flow takes place in the month of December of each year.

PROVINCIAL BORROWING

Mr. Peterson: Mr. Speaker, I have a question of the Treasurer. Could the Treasurer confirm at this point whether on February 1, when there was a repayment of the German Deutschmark loan, it cost at face value about \$9 million to repay a portion of the loan outstanding that really was only equivalent to \$4 million? Would he agree with those numbers, that this year we lost \$5 million on that one transaction?

Hon. F. S. Miller: Mr. Speaker, I'd have to check the actual figures. There is every possibility the member is correct because of the change in the relative values of the currency.

Mr. Peterson: Due to the fact that we have—and probably when he checks it he will

agree with me—hundreds of millions of dollars' worth of exposure because of the revaluation of various currencies in the world, not only the province but also including Ontario Hydro—but the province also which is not excluded from having borrowed in foreign currencies—what is the Treasurer's plan to cut down the liability or the exposure of the taxpayers of Ontario when it comes to re-financing or repaying these loans?

Hon. F. S. Miller: I will have to get the member an actual figure, but I believe the foreign currency loans of the province, including Hydro, are less than two per cent of the outstanding provincially funded debt.

Mr. Nixon: That big? That's like three cents per person per day.

Mr. S. Smith: What's \$5 million?

Mr. T. P. Reid: Supplementary: Has the Treasurer had any conversations with his friends and counterparts in the province of Alberta with a view to either Hydro or the province itself borrowing money from that province, in which case the exchange rate does not change and the government doesn't put itself at risk?

Mr. S. Smith: Not yet anyway.

Hon. F. S. Miller: First of all, Ontario Hydro borrowed, I think, \$300 million last week in Canada. Ontario Hydro's credit rating is so good that we don't have to go to Alberta to get it. There are many willing lenders right here in Canada so that we can get it very quickly. It was all subscribed very quickly in the marketplace. The Bank of Canada, through its practice—and I am not arguing today whether it is right or wrong—of maintaining a differential in the rates in Canada and the States, has traditionally forced many borrowers into the US market.

I might say, for example, that currency overhang problems look very good when one looks at the borrowings we made in the States lately. We have come from an 83-cent dollar to an 87-cent dollar on \$300 million.

Mr. Peterson: That's federal leadership.

PETITION

TEACHER-BOARD DISPUTE

Mr. G. I. Miller: In view of the impasse between the Haldimand Board of Education and the secondary school teachers of Haldimand, I would like to present a petition which reads as follows:

We, the undersigned, as ratepayers, concerned parents and interested citizens, petition the board of trustees for education in Haldimand county, the Ontario Secondary

School Teachers' Federation, the Premier of Ontario and the Minister of Education to terminate the present impasse in Haldimand county and negotiate a settlement. If this is not possible by May 1, 1979, the Legislature of Ontario must step in and legislate the teachers back to their classrooms and appoint a compulsory arbitrator to draw up a contract.

I would like to present these petitions now, one to the Premier and one to the Minister of Education. I would also like to point out that copies have been sent to the Education Relations Commission, the Ontario Secondary School Teachers' Federation and the Haldimand Board of Education.

I believe the petition indicates the feelings of the voters and ratepayers of Haldimand county and of the 2,860 students whose future education and jobs are at stake.

INTRODUCTION OF BILL

INCO LIMITED ACQUISITION ACT

Mr. Martel moved first reading of Bill 66, An Act to acquire the Assets of Inco Limited.

Motion agreed to.

Mr. Martel: The purpose of the bill is to vest the title and control of the assets situate in Ontario of Inco Limited in a crown corporation, the Ontario Nickel Corporation. If compensation cannot be agreed upon, provision is made for arbitration.

The objects of the Ontario Nickel Corporation include the task of operating and maintaining the assets of Inco Limited so as to provide employment and other economic benefits to the province of Ontario.

Mr. Laughren: Shades of potash.

ORDERS OF THE DAY

STANDING PROCEDURAL AFFAIRS COMMITTEE

Resumption of the adjourned debate on the motion for adoption of the March 29 report of the standing procedural affairs committee regarding change in order of estimates.

Mr. Breagh: Just for the information of the members of the House, Mr. Speaker, this has been published on the Order Paper for some time. It calls for a slight alteration in the way matters are dealt with in the House. Without changing the standing orders of the House, the report offers two suggestions when there are changes that are required in the order of estimates.

First, as always, there's the opportunity to seek unanimous consent. If that is not forthcoming, then it is possible simply to prepare a motion and put it on the Order Paper. That would require a simple majority of the House.

It is my understanding this has agreement on all sides.

Motion agreed to.

[3:45]

PORTUGUESE CLUB OF LONDON INCORPORATED ACT

Mr. Peterson moved second reading of Bill Pr2, An Act to revive Portuguese Club of London Incorporated.

Motion agreed to.

Third reading also agreed to on motion.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, before proceeding to the next order, I wish to table the answers to questions 116, 129, 130, 131, 132, 133, 134, 135 and 136 standing on the Notice Paper. (See appendix, page 1224)

House in committee of the whole.

ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

(concluded)

On vote 504, supply and services program:

Mr. Haggerty: Mr. Chairman, I'd like to raise a question regarding vote 504, supply and services program. It relates to minor projects that cost less than \$200,000 and it relates to the Fort Erie unmanned travel information centre. Can I have an explanation of what is meant by "unmanned"? Does this relate to a computerized information centre? Can you explain that to me, sir?

You'll find that on page 38 of your design and construction program, 1979-80.

Hon. Mr. Henderson: Unmanned means exactly what it says—it's just a place to visit. Unmanned means there's no one there. It's a place to visit and pick up information.

Mr. Haggerty: What you're telling me then is that this new centre will be open and there will be no person there at all? Nobody to inform tourists coming into this area? At Fort Erie, the largest port of entry into Canada?

Hon. Mr. Henderson: Second largest.

Mr. Haggerty: Second largest, no; it's not the second largest.

Surely, the minister must be going to have some personnel in there to give out information?

Hon. Mr. Henderson: Mr. Chairman, in response to the honourable member, this centre will be manned in the busy season of the year. In the off-travel months, it will just be available for one to go in and pick up literature. But again, that part of the program comes under the Minister of Tourism and Industry. I think you should go into more detail on the manning during those estimates. Our part is only to supply the building.

Mr. Haggerty: I thank you for that explanation. In other words it's going to be manned at peak tourist periods of the year—say from April until October or something like that. The rest of the year it will be open and if anybody wants to drop in to pick up information it will be available.

Hon. Mr. Henderson: I wouldn't want to confirm April. As the honourable member knows there are not that many tourists in April—but during the usual tourist season, I understand the Minister of Industry and Tourism will man it.

Mr. Grande: Mr. Chairman, I have a couple of questions of the minister. When the Ministry of Government Services lets a contract to a particular company, are there any terms and conditions in that contract which—is there any discrimination? Let me put it this way: is there any discrimination as to which company gets the contract based on whether that company has treated its employees in a fair way and also if that company is investigated by the employment standards branch of the Ministry of Labour? Is there any such condition?

In other words, if a company is being investigated by the employment standards branch of the Ministry of Labour, does the Ministry of Government Services still let those contracts to that company or does it cease?

Hon. Mr. Henderson: Mr. Chairman, we take the low tender. There is no discrimination against anyone. We take the low tender, but we enter the clause in that they must pay a fair wage as set out by the Ministry of Labour.

Mr. Grande: On the second part of that question, if there is an investigation by the Ministry of Labour into that particular company and the Ministry of Labour is investigating it, whatever the reasons might be, for unfair treatment of its employees—in other words, a violation against the Employment Standards Act—does the ministry still give a contract or allow this company to do

work for this government? That's what the question is.

Hon. Mr. Henderson: At the time of renewing a contract—let's say it has been a two- or three- or five-year contract—when we come to renew it we inquire of the Ministry of Labour to see if there are any breaches of the labour code and ethics. If there are, we reserve the right to penalize that company for a period of time, depending on the seriousness of the breach of the act.

Mr. Grande: Is that a policy and is that policy written down anywhere, or is it just a verbal thing with the company?

Hon. Mr. Henderson: It's in our procedural manual, and our own staff hold a meeting and a hearing with the contractor involved, whoever it might be. They have authority to do that.

Mr. Grande: Given that particular bit of information that the minister has given, is the minister aware that on June 6, 1977, a company by the name of Globe Envelopes was being investigated by the Ministry of Labour's employment standards officers and during that period of time Globe Envelopes had done at least \$35,000 worth of business with the government?

Hon. Mr. Henderson: Mr. Chairman, we would have to admit that we are not aware of the claim that the member brings forth. Globe Envelopes do supply us. They certainly have tendered and have been the low tenderer and have received orders from us. I felt that the honourable member—and I am speaking off the cuff here—was referring to contracts that we might have for janitorial services or something of that nature. That is what I felt that you were referring to, and it was to tenders of that nature I was responding to you on.

Mr. Grande: Doesn't it follow that particular policy in your procedural manual? Doesn't it follow that if a company is being investigated under that particular act you then penalize that company for an order which Government Services has placed with that company? Why does it work in one set of circumstances and does not work in another set of circumstances?

Hon. Mr. Henderson: Mr. Chairman, just to reinforce what I said earlier, I was thinking of construction, janitorial and contracts of that nature. For the ordinary tender, like this company's to supply envelopes, our staff doesn't have the right to be selective without bringing it to the attention of the minister. General procedure does not permit them the right to be selective.

Mr. Grande: May I make a comment then, Mr. Chairman? In future, before orders are placed with particular companies the Ministry of Government Services, should make sure to find out from the Ministry of Labour whether some of these companies are under investigation by the employment standards branch. If they are under investigation, for whatever purpose and whatever reason, I would hope that the ministry would agree with me that the order should be placed with another company and certainly not with a company that is in violation of the law of Ontario. I don't know whether the minister wants to respond to that. I hope he does and does make that commitment.

Hon. Mr. Henderson: Mr. Chairman, I want to remind the honourable member that there is a private bill by the Liberal Party before this House of this nature, whereby they are suggesting until court action is taken just because a person is charged does not mean he is guilty. I believe it was debated last week while I was out of the House.

I cannot give the honourable member today the assurance that he is requesting, but I will assure him that we will look at it. I can't give him a free hand that we will do it, but I can assure him we will look at the possibilities.

Mr. Grande: Mr. Chairman, will you allow me just a few very brief words regarding the statement the minister made in the Legislature today?

Mr. Chairman: I believe that referred to a previous vote that was passed.

Mr. Grande: That is correct.

Mr. Chairman: We are now on vote 504.

Mr. Grande: I will only take two seconds, Mr. Chairman.

Mr. Chairman: I am sorry, I cannot allow it right now. I would have to say that there is a certain length of time for these estimates. If the other votes are passed and there is still time remaining, I think it would be in order at that time. However, I just can't accept it at the moment.

Mr. Lupusella: On a point of order, if I might. It seems that on Friday there was a proposal which was made to the Chairman of this committee which involved material pertaining to the particular transaction on which the minister today made a public statement. It was my personal proposal, which was accepted by the Chairman. I am not sure if you were sitting at that time, but it seems there was general acceptance to go back to the same vote to raise questions

pertaining to this particular transaction between the government and the Italian Canadian Benevolent Corporation. I hope you will take our concern into consideration just to develop two comments which won't take very long.

Mr. Chairman: I certainly recall the member suggesting that the information be presented particularly to the critics. The chair at no time, to my knowledge, stated that one section would be stood down which, in other words, means that you could discuss it further. I would again like to suggest that if these other items can be covered quickly, there would certainly be no reason why it couldn't be discussed if there is time remaining.

Mr. Young: On this point of order, Mr. Chairman, I think it was pretty thoroughly understood in the House that this matter would be left until the minister would make his statement with the understanding that we could go back briefly to discuss it, if we wished, at that point. I was labouring under that impression and I think the minister understood it that way—namely, that he would make a statement and then it could be discussed, if necessary.

It is likely we have taken more time on this point than would have been taken by the member who wanted to speak. I would urge that this matter be allowed because that certainly was the understanding of the House at the time.

[4:00]

Hon. Mr. Henderson: Mr. Chairman, I would like to speak for a moment or two. It might relieve the minds of the members concerned. I felt I would possibly have to respond to this. I also have two other responses here for the member for Essex North (Mr. Ruston) and I will take this opportunity.

Members are concerned about the information I filed today over the 25-year period. I have since spoken to the Attorney General—

Mr. Chairman: Order. I was asked whether the committee could refer back to the other. I just have to ask the committee what is their desire? Do they wish to revert?

Hon. Mr. Henderson: Mr. Chairman, I would respond this way. Actually this item is not in our estimates if you are going to stick to the votes. It was in the estimates of two years ago. There is nothing in our present estimates respecting this. But, even if you have to add two or three minutes onto my estimates, I think we should spend a few minutes on this.

Mr. Chairman: What is the wish of the committee?

Mr. Ruston: Mr. Chairman, I would have no objections if we could limit the time on this particular item. I do not have too many more items—a few on vote 504 and a couple on 505. I do not know about the member for Yorkview, but I would be agreeable if we could limit it maybe to seven minutes.

Mr. Chairman: We have 36 minutes left for the balance of the estimates. Is it the wish of the committee that 10 minutes be put to this?

Hon. Mr. Henderson: Five minutes.

Mr. Ruston: Six minutes.

Mr. Chairman: Is the committee unanimous with six minutes?

Agreed.

Hon. Mr. Henderson: It might be helpful to the honourable members—since I spoke to them over there I spoke to the Attorney General (Mr. McMurtry) with respect to their concern about the 25 years. The Attorney General informed me that this is a benevolent organization. If they make any profit it must go back to benevolence or to charity. That protects your concerns about private individuals making money on this piece of property. We have protected it as such for 25 years, and they are chartered. If you noticed, the Attorney General did remain for a few minutes so he could respond to it, but he thought it had been passed. It is a benevolent organization and as such any money they have must go to benevolence or charity.

Mr. Lupusella: Thank you, Mr. Chairman. I share the concern expressed by the minister. By the way, I would like to convey my appreciation for the step which was taken by the minister, in co-operation with the Solicitor General, to incorporate within such transaction the concern which was expressed by us in relation to the piece of land.

About the 25-year item which is incorporated in this particular transaction: Even though I agree with the minister about the profits which might derive from this piece of land, let's say the corporation decides some day to sell this piece of land. If the corporation exists, then the point raised by the minister is very well taken into consideration. In other words, the profits which might derive from this piece of land should, of course, go to the corporation itself because it is a benevolent corporation, so there is no particular dispute or disagreement between the minister and us, on this side of the House, if the corporation in 25 years, in fact, exists.

Our particular concern in raising this problem was—and again I would like to emphasize

that I am talking in very hypothetical terms—let's say the corporation goes bankrupt—which, of course, I hope it won't. We greatly support the project, we greatly support projects which are developed on behalf of the community through such corporations. But, again, my concern is based on the fact that any corporation—and I think a benevolent corporation is not greatly different from a regular corporation—might go bankrupt. I would like to hear from the minister what will happen in connection with this piece of land in the event that the corporation goes bankrupt. Perhaps the minister could satisfy me by giving me legal assurance that the land will be utilized again for the benefit of the community as a whole. I don't want to emphasize the same principle, but we greatly support the principle of the community project. Perhaps the minister can tell us what will happen to this piece of land. I hope he has had an opportunity to discuss this point with the Attorney General.

Hon. Mr. Henderson: Mr. Chairman, in order to assist the honourable member, it is my understanding that if the company should go bankrupt, as the member has suggested might happen—

Mr. Lupusella: I am talking about a hypothetical situation.

Hon. Mr. Henderson: All right; let's say the company goes bankrupt. It would automatically go into receivership; the trustee appointed to sell the property would have to refer back to the particular clause in the deed and offer the property to us. This is more or less a first mortgage on the property; it's the first claim against the property, whether the company goes into receivership or not.

Mr. Lupusella: Mr. Chairman, I am quite satisfied with the minister's reply. Again, I would like to take the opportunity to thank him for taking the steps that we were requesting last Friday.

Mr. Grande: Have the six minutes elapsed?

Mr. Chairman: It is 4:07 p.m.; so six minutes have elapsed.

Hon. Mr. Henderson: Mr. Chairman, last Friday the member for Essex North requested some information, which I agreed to furnish today, on tender 3111 for courier service, which contract was awarded to Purolator. My colleague asked for the amounts of the tenders, which were as follows: (1) Purolator Courier Limited, Toronto, \$329,382; (2) CN Rapidex, Toronto, \$388,746.45; (3) Kingsway Courier, Toronto, \$489,636; (4) BDC Limited, Mississauga, \$503,834—

Mr. Chairman, this will take me two or three minutes. Does the honourable member want it all read into the record? If he does, I'll be happy to do so.

Mr. Ruston: Maybe it would be just as well to put it in the record.

Hon. Mr. Henderson: To continue: (5) JG Courier, Toronto, \$882,180; (6) Swift Sure Courier, Oakville, \$1,257,954.

Toronto service: Purolator Courier Ltd., Toronto; rate (a), single delivery, 50-pound maximum, \$3; rate (b), combined pickup and delivery, \$5.

No. 2: Swift Sure, Oakville; rate (a), single delivery, 25-pound maximum, \$3.50; rate (b), combined pickup and delivery, \$4.75.

No. 3: JG Courier, Toronto; rate (a), single delivery, \$6.50; rate (b), combined pickup and delivery, \$9.

No. 4: Kingsway Courier, Toronto; rate (a), single delivery, \$6.50; rate (b), combined pickup and delivery, \$13.

No. 5: BDC Limited, Mississauga, rate, single and combined delivery rate \$18 per hour or 35 cents per highway mile.

No. 6: Atripco Delivery, Toronto, rate (a), single delivery \$2.25 to \$9.35; rate (b), combined delivery, \$4.50 to \$18.75.

The award to Purolator was considered in the context of the government policy of Canadian preference. The company quoted 100 per cent Canadian content in the courier services offered under the terms of the tender. If the honourable member wishes, I shall read a letter received from the company's senior vice-president confirming the 100 per cent Canadian content quoted by the company. That appears to be satisfactory.

I will provide an answer today to the member for Essex North in reply to his question on Friday about the number of gasoline credit cards issued to civil servants and the control of illegal uses of gas for private purposes. The following is the list as of April 20, 1979 of the number of cards we have issued: Agriculture and Food, 416; Attorney General, 26; Colleges and Universities, one; Community and Social Services, 267; Consumer and Commercial Relations, 24; Correctional Services, 101; Culture and Recreation, 48; Education, nine; Environment, 304; Government Services, 327; Health, 255; Housing, 43; Industry and Tourism, 15; Labour, 238; Northern Affairs, 134; Office of the Premier, including cabinet office, Provincial Secretaries for Social Development, Justice and Resources Development, 29; Office of the Provincial Auditor, one; Ontario Lottery Corporation, 20; On-

tario Place, two; Ontario Science Centre, 10; Revenue, 134; Solicitor General, 74; Transportation and Communications, 4,195; Treasury and Economics, 85; and Workmen's Compensation Board, 12. Internal audit has a specimen one and Security Credit System has a specimen one.

The credit card can be used for gasoline and oil purchases and for lubrication and certain emergency services only. It is clearly marked "For Government Vehicles Only." It's imprinted with a ministry name in all cases. The imprinted account number is tied back to the ministry concerned, which is billed directly by the oil companies. The Ministry of Government Services pays only for the gas, et cetera, used in its own vehicles.

Most of these are vehicles attached to our property management branch offices in different parts of the province or to our vehicle repair and trucking operation under this vote. Each ministry is responsible for the control of the issuance of cards and for the verification and approval of accounts submitted by the oil companies. In the Ministry of Government Services, the responsible supervisor or manager must approve all invoices.

Mr. Ruston: My thanks to the minister for that information. Where would telephone tie lines to cities come under in the vote?

Hon. Mr. Henderson: Supply and administration.

Mr. Ruston: I asked about a year ago in the estimates if the ministry had given any consideration to having such lines into the town of Leamington, which encompasses a fairly large population in a telephone exchange area. I wonder if anyone can tell me whether they have studied that and whether the cost would merit having a tie line in there.

[4:15]

Hon. Mr. Henderson: Mr. Chairman, perhaps I made a mistake in informing the member it was vote 504. It's really 505. Could we go through 504 and my staff will be ready to answer his question just as soon as we get to the next vote?

Mr. Swart: I think, Mr. Chairman, it's appropriate under this vote to ask a question about the installation of speakers in our offices here in the legislative building. Since I came into this Legislature some three and a half years ago I've been concerned that we have no way in our offices of keeping track of what is taking place in the Legislature.

Mr. Chairman: Is the member referring to direct communication from here to his office?

Mr. Swart: Yes, in the legislative offices.

Mr. Chairman: I don't believe that comes under this vote.

Hon. Mr. Henderson: It's the next vote but I'd gladly answer.

Mr. Chairman: I thought this came under the Speaker's authority.

Mr. Swart: I'm in your hands, Mr. Chairman. I'd like to play it safe.

Hon. Mr. Henderson: Mr. Chairman, if I might respond to the member. That is right. We would consult with the Speaker before any such equipment was installed. But, I might point out, it is my understanding that the Premier and ministers within this building, the leader of the official opposition, and his deputy are the only members, as far as I'm aware, that have them. We, as the government, would like to discourage speakers inside the members' offices. We think it makes for better attendance in the House.

Mr. Nixon: You can see how well it works.

Mr. Swart: Mr. Chairman, just on a point of order, are we permitted to deal with this? Did I not have the floor and may I proceed to motivate this?

Hon. Mr. Henderson: It's in the next vote.

Mr. Chairman: I always felt this was in the Legislative Assembly vote. I hope I'm correct in that. I think it's been taken to the Board of Internal Economy.

Hon. Mr. Henderson: If I might correct you, Mr. Chairman.

Mr. Chairman: I'd be glad if you would.

Hon. Mr. Henderson: I think you're correct except that the funds would have to come out of this ministry. The Speaker would have the say; let's not kid ourselves. It's under his jurisdiction, but the money would have to come out of this ministry to do it.

Mr. Chairman: It's under the next vote then.

Mr. Swart: I'm not asking for a two-way system, Mr. Chairman, but I do think there are real advantages to having speakers in our offices, if we request them, to carry the debates that are taking place in the House. I know the arguments against it and I am going to deal with them in just a couple of seconds.

Mr. Chairman: Before the member continues, maybe I should put the vote for 504 then.

The member for Yorkview on vote 504.

Mr. Young: Yes, Mr. Chairman. I don't know if this is part of members' services but may I ask the minister a couple of questions? He mentioned Purolator services a few minutes ago and the contract that was let there. What is the basis? Does he pay so much for a year of service laid down to certain specifications? Is it a piecemeal payment? How is it done?

Hon. Mr. Henderson: I missed something. Would the member repeat it?

Mr. Young: The contract is let for the service which Purolator gives the ministry. Does this mean that all of a certain type of parcel-letter communication is carried for the full duration of the contract, or is the total amount that he mentioned, the global amount, an overall amount which includes certain items, certain distances? How is the contract let?

Hon. Mr. Henderson: I should clarify this. The member will note that I suggested \$329,382. We estimate what the work will consist of and, based on that amount of work, they tender that that will be the amount of money. Then the tender consists of what I read later on: "Purolator rate (a) single delivery, 50-pound maximum, \$3." In estimating we use the other figure: "Rate (b), combined pick-up and delivery, \$5." That's really on each individual, but when you combine the estimated cost of all these for the year it amounts to the other. When they make the tender they are expecting to get that much work throughout the year.

Mr. Young: This is for service demanded during the year. You pay equal rates above that.

Hon. Mr. Henderson: We pay individually, as needed.

Mr. Young: A question arose in my mind the other day when a member from the government side was complaining to me that he had had a parcel delivered to his office by Purolator from downstairs on the first floor or the basement or somewhere like that. Does Purolator do that kind of delivery within the building?

Hon. Mr. Henderson: Not that I'm aware of.

Mr. Young: Perhaps this is a matter we can talk about personally later on. But that sort of service is not done? That gentleman was very angry when he spoke to me about it.

Hon. Mr. Henderson: Not to my knowledge. He might dig up something, but that's why I say "not to our knowledge," if I might answer that way.

Mr. Young: We have certain things in this vote—collection services are here, where you collect bad debts. That, of course, is a tough one for this ministry because I understand all the uncollectable bills from the rest of the government are dumped on you. That may present a little bit of difficulty for you.

Could I ask about that? Two aspects: One, what kind of techniques do you use on the really tough ones? When it comes to a place where you find it almost impossible to collect, when a guy says, "Go to blazes," what do you do at that point?

The other question I wanted to ask, and I might as well ask it while I'm on my feet, is what has happened with respect to the collection of the overpayment of the housing grants that we had here in this House some time ago before one of the elections? Do you remember? We did make home buyers' grants and some of them were paid improperly and we were taking steps to collect those. What luck have we had on them?

Hon. Mr. Henderson: I don't have the information with me—my staff has it—on the latter question. But if I might respond this way to the first question, the budget estimate of this particular branch is \$205,000. We have 14 man-years in it and unclassified staff of two man-years. The goal is to provide a complete and cost-effective central collection service to all ministries for the collection of debts owed to the Ontario government when collection efforts by the ministries have been exhausted; to provide effective leadership and expert technical support and operation activities within the special services branch.

The function of this activity provides: (1) central collection services for ministries and agencies of the Ontario government; (2) the minister's support and direction for a special service branch of the ministry.

Significant issues: Use of private collection agencies: A six-month experiment has been undertaken using a private collection agency allocated approximately 350 accounts. The experiment has been moderately successful financially and, as a result of specific guidelines, no complaints have been experienced.

Consultants' study: The study, scheduled for completion by March 31, 1979, it was completed a month ago—is investigating means by which performance can be improved, possibly through mechanization of the support system through which a larger percentage of staff resources can be allocated to collections. A review of the potential greater use of this service by one or more of the additional major programs is also in-

cluded in the terms of reference of the consultants.

To give you some help, the dollar value of accounts outstanding at year's end was, in 1975, \$4,225,000; in 1976, \$4,705,000; in 1977-78, \$5 million; in 1978-79, \$5.5 million; in 1979-80, \$6.2 million.

Dollar value of collections: 1975-76, \$1,136,300; 1976-77, \$1,375,000; 1977-78, \$1,507,000; 1978-79, \$1,400,000; 1979-80, \$1,615,000 (estimated).

The other figures, just to reread the dollar value of accounts outstanding: In 1975 it was \$4,225,000 and to jump up to 1979-80 \$6.2 million.

Our staff is always ready to listen to anything reasonable. If they go out to someone who says, "Next month we can give you so much," they are always ready to negotiate.

Mr. Young: There has been some satisfaction, then, with the private agencies you have hired to do this. I don't want to rush this because there is still a question over here to be answered and I don't want to take the rest of the time, so I will leave the rest of the things I had in deference to my fellow worker.

The thing that concerns me is a report or two which tells me some of these private agencies have very tough methods to finally get the pound of flesh or whatever it may be. I wonder whether that kind of thing is countenanced by the ministry if it comes to a finalization of this particular effort.

Hon. Mr. Henderson: We have used one agency and they have not used tough, bully-like tactics. We have not had complaints back about the tactics being used. If any member does have complaints, we want to know about them.

We would suggest to you, if it does turn out as we think it will, we will no doubt use this route more often. We will step up the use of this collection agency.

Mr. Young: You will drop your own staff and go to the private agency?

Hon. Mr. Henderson: Yes, if we can reduce our staff, we will.

Mr. Young: You think that is more efficient?

Hon. Mr. Henderson: I only point out to you our amounts have increased from 1975, \$1,136,000, to \$1,615,000, so there are more parcels to deal with, there is more work. But if the staff is not needed, we won't be keeping them.

Vote 504 agreed to.

On vote 505, communications and computer services program:

Mr. Ruston: Under 505, on computers, I have a letter here from the Salvation Army public relations officer from Hamilton with regard to computer cards and the price of them. Just to give you an idea, they had to go to the United States to purchase them. One of the reasons for this was that computer costs are just 20 per cent of the cost in Canada. For example, computer cards which are \$4.61 per thousand in the US would cost \$18.20 in Canada.

You have a large computer there and I realize it is used for other ministries—your own figures are only \$150,000, but your total for the computer I think is around \$22 million. Of course you charge that to other ministries. Do you have any figures on something like that? It is amazing, if that is the case, that these computer cards would be so much.

[4:30]

Also, we were asking a few minutes ago regarding tie-line telephone systems for people who are far from access to them. I am thinking now of the member for Essex South who is forced to have a very high expense for telephone through long distance charges. Of course, it is reflected in the annual report filed on all members. It is a little misleading because a member from the city of Windsor has no long distance calls to speak of. Maybe on occasion, when the lines are not available, he has to use it, but that's not too often. The member for Essex South has a population within the Leamington exchange of probably 25,000 people, and the exchanges that would come into Leamington would probably bring it up to 40,000 or more. I'm wondering if there has been any consideration given to that as well.

Hon. Mr. Henderson: Firstly, if I might respond to the honourable member on the computer cards, we are not paying \$18 a thousand. Again, we pick the cheapest tender and we do apply the 10 per cent factor to the Canadian tender if there's an American tender as well. If we get a tender from an American firm at \$4.61 and we look at the \$18 one, I can assure you the \$4.61 tender will get the job. We certainly take the cheapest tender and these cards are tendered.

With respect to the phone line to Leamington: A year ago we took a survey of all the long-distance calls from all government agencies, which included the member for Essex South. It was cheaper to pay the long-distance calls than the cost of the tie-line. We will again take a survey in the next two months and if the economics tell us it's cheaper to put in the tie-line, we will so do.

I think I can understand the problem of the member for Essex South, as we are from similar ridings only with different political beliefs. I try to tell them they have their own belief there—yes, the member for Brant-Oxford-Norfolk (Mr. Nixon) realizes that, much to our sorrow. We are spread out over a large area. I don't have a tie-line to about half of my riding. It does make our long-distance calls dear but it is still cheaper for the government of Ontario.

We will take a survey of that area within the next two months.

Mr. Ruston: Do you have any figures on what you may have paid for computer cards? Do you have that readily available?

Hon. Mr. Henderson: No, we don't have it here.

Mr. Ruston: Perhaps it could be furnished to me at a later date.

Hon. Mr. Henderson: Okay.

Mr. Swart: I'm going to make this very brief.

Hon. Mr. Henderson: Just a further response to the member for Essex South: We have 12 lines into Windsor.

Mr. Swart: I was asking the minister if he would give consideration to allocating sufficient funds to have speakers put in our offices here in the Legislature. It's important that we know where bills are at. There aren't any of us who don't on some occasion have responsibilities for a bill here in the Legislature. We may miss it or almost miss it because other bills go much more quickly or much more slowly than we had expected. It's important we know what's taking place in the Legislature. It's also important on occasion that we hear particular discussions when perhaps we don't have the time to come into the House for just those few minutes.

I think those arguments for the speakers are valid. The argument which has been given against them when I brought it up in the members' services committee once before was, first, the cost. I know enough about the cost of this sort of thing to know it would not be great. There would be fewer than 100 members who need them in their offices, and there might only be half of those who would want them. I suggest to you the cost would be almost negligible.

The strongest argument against this suggestion was put forward by the minister just a few moments ago. It was members will stay out of the House. I suggest that argument really is not very valid. First of all, I would say to you that you can't get below the present minimum. Look around us now.

There are four Tories over there; we have three Liberals and three NDP members here. If you called a quorum, you would have to ring the bells at almost any time unless it is bills where it is expected there is going to be a vote and each party—at least the opposition parties—has to have five members in the House. I suggest we are down to the minimum and, therefore, that argument is not very valid. I suggest that we can organize our time more efficiently, and time is a scarce commodity to most of us, we would all agree. We can organize it more efficiently if we had those speakers in our offices. I think we ought to recognize the real situation—

Mr. Nixon: You could turn them off.

Mr. Swart: Yes, we can turn them off too. We would have switches so we could turn them off. We wouldn't need to listen to them all the time. We are busy. I think that if we want to have a speaker in our offices we should have it and I would ask the minister to give consideration to this and report back whether he doesn't feel this would be advisable, and will proceed with the installation of the speakers where a request is made by a member.

Mr. Nixon: I agree.

Mr. Ruston: The members' services committee should deal with that.

Hon. Mr. Henderson: Mr. Chairman, the member for Essex North took the words out of my mouth. I was going to respond that less than a month ago my cabinet colleagues decided that no cabinet minister outside of this building should get a speaker in his office. If they want to know what's going on in the House, they had better be here. If it's within this building—

Mr. Nixon: I would assume that they don't want to know what's going on in this House.

Hon. Mr. Henderson: —I would suggest that the appropriate way would be to go through the members' services committee, as the member for Essex North suggested.

Mr. Chairman: The time for these estimates has now expired. Shall vote 505 carry?

Vote 505 agreed to.

Mr. Chairman: That completes the study of the estimates of the Ministry of Government Services.

Hon. Mr. Henderson: If I might just get up on a point of privilege, last year when I completed my estimates I did have a little gift for my two critics, but today I have to tell you I came in yesterday afternoon and signed all of those books that all of you got, so the book "From Front Street to Queen's Park" is my gift to all of you to thank you.

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS

Mr. Chairman: The estimates of the Ministry of Northern Affairs are now before the committee. Does the minister have an opening statement?

Hon. Mr. Bernier: Yes, Mr. Chairman.

Mr. Nixon: Those stairs are pretty steep.

Hon. Mr. Bernier: It is starting to show; coming close to the half-century mark is starting to show.

Yes, Mr. Chairman, I do have a statement I would like to put on the record for the benefit of the members of the House and, of course, my critics will be given a copy of my statement, as we begin to examine the Ministry of Northern Affairs. I don't know if they have been distributed yet, but they will be.

The Ministry of Northern Affairs is now into its third year of operation, and I believe it is fair to say there is no longer any doubt in anyone's mind that it has an important and useful function. I believe it is recognized by northerners and by members from all parts of Ontario that there is real value in having a ministry devoted exclusively to the needs and concerns of northern Ontario and its people.

I believe members on both sides of the House now recognize it is not only possible but desirable to have all government functions in the north co-ordinated by a single body, namely, the Ministry of Northern Affairs, and that this can be done without infringing on the specialized functions of the other ministries concerned.

Of course, it is always possible for any critic of the government to point to problems we have not yet solved and deficiencies we have not yet overcome. No one is more aware of these shortcomings than I am. And no one is more impatient than I am to see them resolved. But, as we all know, it is far easier to find fault than it is to find solutions.

I hope that during the course of examining our estimates for expenditures, members will make suggestions that will be useful to us in planning future programs and projects of benefit to the north. Anyone who has experience or studied the north knows there are no instant or easy solutions to its problems. We are engaged in a long, costly and difficult struggle to provide the north with economic prosperity and stability, with job security, and with the social and personal amenities that southern Ontarians have learned to take for granted. Frankly, I am not totally satisfied with our progress so

far, and I will never be satisfied until the economic and social gap between the north and the south has been closed to create equity between these two radically different regions.

Although I want to see more progress, I already see plenty of reason to be proud of the distance we have come in the past few years. In fact, our progress encourages me to believe we are on the right path, and that we will achieve a great many of our goals during the years ahead.

I believe it is no exaggeration to say that some of the improvements our government has brought about in the north in recent years have been both fundamental and dramatic. Certainly that is true of the situation in regard to transportation.

When I was first elected to this House in 1966, I had to use train travel to move back and forth between my riding and Toronto. It was a 30-hour trip, and I was unable to get home more than a few times a year. Today, thanks to the government's introduction of an efficient air service, I can travel every week, at commercial rates, from Toronto to Kenora or Dryden or, for that matter, to many other northern communities. That may not sound especially remarkable to members from southern Ontario ridings who may not have travelled extensively in the north. But I ask them to imagine how they would cope if they had to attend the Legislature from a riding situated, say, in Halifax or in Memphis, Tennessee, and were obliged to get there by train.

Kenora is as far from Toronto as Halifax or Memphis, and I think a lot of people here in the south have to be reminded of that in order to appreciate one of the most urgent problems facing the north, that of coping with vast distances. That is why the solution to this problem, as represented by norOntair, seems to many of us northerners to be one of the wonders of the late 20th century. Of course, it has been obvious for years that accessibility to the rest of the world—made possible by a modern, efficient and equitable transportation system—is the key to the development of the northern economy. And norOntair, in fact, represents just one form of the progress we have made in that regard.

[4:45]

Our program of road construction has also been moving ahead. In co-operation with the Ministry of Transportation and Communications, which will supervise the actual work, our ministry proposes to spend almost \$52 million during this fiscal year on construction and improvement of highways in

northern Ontario. The major projects will include the expansion of several major highways to four lanes, grading and resurfacing of other highways, the creation of passing lanes to reduce congestion and improve safety conditions, the addition of full-width paved shoulders and, of course, the construction of new roads linking northern communities and opening them up to access from what can be fairly described as "the outside world."

I am especially pleased to tell members that we will soon close the gap in construction of the long-awaited highway link between Fort Frances and Dryden. This is a project that has been under way for five years, with progress being made from each end, year after year. Now, with the completion of the road in its most fundamental form, the Ministry of Transportation and Communications will move ahead to pave this significant route to secondary highway standards.

Meanwhile, we intend to carry out and review engineering for other major projects, such as bypasses at Kenora and Sudbury, four-laning east of Sault Ste. Marie and a new section of highway 17 west of Thunder Bay. These projects all require a long lead time, and we are anxious to include public participation in the decisions they entail; while such local input is being solicited and received, we will be proceeding with pre-engineering so that construction can commence at the appropriate time.

In regard to rail transportation, we provide subsidies to the Ontario Northland Transportation Commission for its operation of rail services, which consist of the mainline service from North Bay to Cochrane, with connecting daily shuttle service to Timmins; the Northlander Service, which is familiar to a lot of the members here and which connects Timmins to Toronto and return, one train per day, six days a week; and service to Moosonee, consisting of the Polar Bear Express, running six trains a week in the summer from Cochrane, and the regular Moosonee service, consisting of three trains a week the year round.

I am pleased to report that the passenger volume on the Polar Bear Express increased in 1978 to 21,500 passengers, compared with 18,000 the previous year. This represents a turnaround after a three-year period of decline in passenger load.

While these rail operations require subsidization, I am pleased to report that the ferry service which the ONTC operates between Tobermory and South Baymouth produces a small surplus.

I am more than pleased to report that as of next Sunday, April 29, norOntair will add two more northern communities to its list of regular stops throughout the north. Passenger service to Geraldton and Terrace Bay, beginning this coming Sunday, will bring to 19 the number of communities served by norOntair. The 20th community will follow later this summer, with the addition of Hornepayne. This means that every major town in northern Ontario will then have scheduled air service—something that is regarded by independent observers as the transportation success story of this decade.

With the addition of these landing points, we have every reason to expect that norOntair will exceed the passenger volume of 1978, which was more than 100,000 passengers.

Members who would like more information about the operations of norOntair are invited to read the March issue of *Canadian Aviation*, which describes norOntair in a feature article. I would be happy to provide a copy of the magazine to anyone who is interested. Members will see that the cover of the magazine clearly depicts a very colourful picture of the Twin Otter aircraft that norOntair uses throughout the north. The four- or five-page article gives a complete description of our operations in detail. I think I should mention one or two paragraphs of the article which may be of interest to members.

"... the government took the proposal for the north seriously. It didn't want to start up a public airline but realized that no one would risk private money, either. It accepted the proposal of the working group within MTC for a provincially subsidized private carrier or carriers, since it was evident at the outset that the federal government wasn't going to pay any subsidy.

"The formula arrived at was simple: the Ontario government would purchase the equipment and private carriers would operate it, the lowest bidder winning the contract as long as it was fit and able. In conjunction with this, an arrangement was concluded with Air Canada whereby the national carrier would handle reservations, ticketing and ramp service at commonly serviced airports."

That gives you an idea, Mr. Chairman, of the co-operation we received from other ministries and from Canada's national airline, Air Canada. I am sure that if the members are interested I could make available copies of that magazine article to them.

Now the ONTC is looking at the possibility of adding the de Havilland Dash 7 to some norOntario routes; but I am sorry to say that

Ottawa has provided no encouragement whatever in this regard. Early in February, three of us—Jack Mathews, chairman of the ONTC, the Provincial Secretary for Resources Development (Mr. Brunelle) and I—met with representatives in Ottawa to discuss the use of the Dash 7 in the north, but the whole idea was rejected by the Honourable Jack Horner. Even so, we haven't abandoned the idea of using the Dash 7 on some norOntair routes.

Meanwhile, we are pressing ahead with municipal airport improvements and expansions involving an expenditure of \$4.2 million in the 1979-80 construction year. This figure does not include the work proposed or under way for the construction and improvement of remote airports, which will account for another \$2.34 million in this new fiscal year. Our agenda includes the commencement of work on four new airports, the completion of two others, plus improvements—typically, the installation of runway lights—on more than a dozen others.

The value of these new air links to remote communities in the north is considerable, and I am sure there is no need for me to belabour that point, except to say that Bishop Leguerrier of Moosonee reminded me just this past weekend that when he first went to Fort Albany several years ago, the regular mail service then—get this, the "regular" mail service—operated four times a year; in other words, they received one mail plane in each season of the year. Today, thanks to our airport development program, that same community has mail service six days a week, fifty-two weeks a year.

As with the improvements in northern airports, the projects and programs we are supporting for the economic expansion of northern industries and communities are too numerous to mention in full detail. Instead, I will simply summarize them briefly by noting that these include: the creation of industrial parks, or related work on such parks, in North Bay, Timmins, Sudbury, Parry Sound and Sault Ste. Marie; the construction of a multi-purpose mall at Hornepayne; and various economic feasibility studies, most of which entail the defining of potential, and opportunities for stimulating and diversifying local commerce and industry.

Some of the larger projects on this list are ones we have undertaken through agreements with the federal government's Department of Regional Economic Expansion. In fact, during the past year I have signed DREE subsidiary agreements worth a total of more than \$90 million. This is in part the result of a more aggressive attitude taken by my ministry and the Ministry of the Treas-

ury, and indeed the Treasurer himself (Mr. F. S. Miller), in dealing with the federal government.

There is much to be said in favour of these agreements we have with DREE. Obviously, they make it possible to press ahead with programs and projects that might otherwise have to be implemented more slowly or even postponed indefinitely. Certainly these joint arrangements provide both governments with more flexibility in meeting local needs than they have had in the past.

At the same time, however, I do feel that northern Ontario's benefits from DREE have fallen short of what should be forthcoming from Ottawa, considering the federal government has its own responsibilities to meet in this part of Canada. For instance, we find it a dubious privilege to be invited to share in the cost of upgrading the Kenora airport, when this is a facility that is owned and operated totally by the federal government.

There are times when we feel obliged to go along with such projects for the sake of the immediate benefits that will flow from them. But I am hopeful we can negotiate better arrangements with Ottawa after May 22.

Don't you agree with that?

Mr. Martel: It won't happen.

Hon. Mr. Bernier: Just hold on to your hat. We have a lot of support right across Canada. Our government is more than willing to go 50-50 with Ottawa on things that ought to be shared. But some of the arrangements remind me of the classic recipe for horse and rabbit stew—which is also described as 50-50. One horse, one rabbit. Typical Ottawa dealings.

To provide members with a good example of the assistance we can and do provide the community when it is faced with an especially difficult situation, let me cite the recent case in the township of Atikokan.

Here was an instance of a single-industry community facing serious difficulties—

Mr. Martel: Like Sudbury.

Hon. Mr. Bernier: We helped Sudbury too. Very much so.

But Atikokan faced serious difficulties because that industry experienced a drastic setback. In the case of Atikokan, it was the closing of Steep Rock Iron Mine. Our ministry staff from Thunder Bay and Kenora have been working very closely with the municipal leaders of Atikokan to identify other industries that could be developed to fill the gap. We have provided funding of \$75,000 a year for three years for the municipality to set up and operate an industrial development office. We

have provided \$140,000 for a forest inventory study. We are also funding studies for tourist development and industrial opportunities. Our ministry is providing other financial assistance to improve the airport, the sewage treatment plant and the local roads system.

In the case of another mine that was just about to close—the member for Sudbury East will be interested in this—the Moose Mountain iron ore mine in Capreol, just north of Sudbury—our ministry is providing a \$25,000 grant that will make it possible for the mine to stay open and make an experimental shipment of 50,000 tons of iron ore concentrate to Dominion Foundries and Steel in Hamilton. I'm sure the member for Sudbury East will hail that decision.

Mr. Martel: Hail it. If you could get me beyond May 15 I will hail it—there are at least four houses for sale right now.

Hon. Mr. Bernier: Right now. I hope your trip next Monday is successful.

Mr. Martel: I hope so.

Hon. Mr. Bernier: Sorry I can't join you.

Mr. Laughren: He's talking about further down the road than six weeks.

Hon. Mr. Bernier: Mr. Chairman, in addition to other forms of industry, tourism is becoming increasingly important to the north, in spite of such obstacles as the short summer season, long distances, and, in some cases, limited access.

As many members would know, some of the dramatic developments in northern tourism have been taking place along the James Bay frontier. Through careful and skillful promotion we have not only increased the popularity of the Polar Bear Express, as I mentioned earlier, but have also increased community awareness of the techniques and the potential of effective tourism.

The initiatives we have taken in that region of the north will be continued at least through the coming fiscal year but we are hopeful that from then on we can begin to withdraw provincial involvement over the next five years or less and leave the community itself to carry on the local tourist operations.

Meanwhile, as a permanent contribution we are negotiating with two other ministries, Transportation and Communications and Government Services, for construction of a building at Moosonee that will serve partly as a tourist pavilion that will include an information centre, a theatre and public washrooms.

Under the heading of resources development, let me mention just two projects which I believe will be of special interest to members who are concerned with the future of the north. As you might suppose, one of these

concerns is mining and its related activities and the other is forestry.

During the fiscal year 1979-80 we expect to complete a project known as the northern affairs geological survey program. This is a reconnaissance study of the engineering terrain, characteristics and aggregate capability of northern Ontario as a basis for planning and development, plus an evaluation of northern peat deposits.

Mr. Martel: Try and get them to do that.

Hon. Mr. Bernier: This is a very in-depth one—very broad, in-depth. But we'll see some definite results. I'm very confident of that.

From this study we expect to discover the potential of fossil fuels in the Moose River basin and to stimulate mineral exploration in three areas—namely, the Red Lake area, the Marshall Lake area near Nakina and the Burnt Bush River north of Lake Abitibi.

Mr. Laughren: You must delight in apologizing for this minister.

[5:00]

Hon. Mr. Bernier: John Lane wrote this.

The forestry project I referred to entails an expenditure of \$71.5 million—again, under an agreement with the federal Department of Regional Economic Expansion.

This is a five-year program whose main objectives are to harvest overmature timber and to accelerate timber-regeneration on crown lands and company-licensed lands in northern Ontario. These goals will be pursued through increased production of nursery stocks, improved forest management and construction of new access roads.

Apart from the principle of making intelligent use of this renewable resource, we are always mindful of the forest industry's significance to the Ontario economy, since it does provide direct employment for more than 78,000 persons whose combined earnings amount to more than \$1 billion a year.

Meanwhile, we will be taking a harder look than ever before at the possibilities for improving and expanding agriculture in the north. More specifically, we will be undertaking a project known as the northern agricultural marketing study to find out the extent to which locally grown produce and specialty crops might be substituted for the imports now being consumed in five urban centres—namely, Sault Ste. Marie, Timmins, North Bay, Thunder Bay and Sudbury.

Under the direction of a committee consisting of production, distribution, retailing, processing and consumer interests, the study will: identify crops that have a climatic and economic advantage in northern Ontario; determine the market size and commercial op-

portunities for specific crops in the five urban centres; evaluate the market infrastructure needs; and recommend on the role government and the private sector should play in establishing suitable market infrastructure; programs and policies to market the specific crops identified during the course of the study.

Members who are especially interested in agriculture may remember we are already encouraging improvement of farm productivity in the north, through a program of grants to farmers, farm groups, farm organizations, and small agribusinesses and agri-services. These grants pay for half the cost of approved projects in agricultural production, marketing, equipment, structures and demonstrations. Each grant is limited to a maximum of \$10,000, and each project must be reviewed and approved by a local committee.

Meanwhile, to help increase the viability of individual farms, development grants are available to northern farmers to help pay for commercial fertilizer, land clearing, weed spraying, fencing, seed and many other needs ranging from the purchase of hogs and sheep to the cost of taking part in educational tours, field days and demonstrations.

Many of the projects we propose to undertake under the heading of municipal infrastructure involve community needs that are not very glamorous but are nevertheless important to the towns and cities concerned. Our budgeted items include the construction or improvement of sewage plants or systems in many centres of the north including such places as Atikokan, Kapuskasing, Kenora and Long Lac.

Mr. Laughren: What about Gogama?

Hon. Mr. Bernier: Yes, that will be on our list as soon as they form a local services board. It will be on the list.

A large and somewhat dramatic project in this same category is also under way in Timmins, under the northeastern Ontario subsidiary agreement we have signed with DREE. The work at Timmins involves not only the expansion of water and sewage systems, but also the initiation of studies to develop an industrial park and provide a road bypass. This work has been made necessary because of the population increases associated with the expansion of operations by Texasgulf, which, as members will recall, is investing \$130 million in a copper mine at Kidd Creek and \$275 million in a copper smelter and refinery near Timmins.

I must say, Mr. Chairman, I find it especially satisfying to be party to improvements such as those we are undertaking at Timmins,

because of the encouraging progress they represent, including the creation of many jobs in that community. It is also useful for members to recall the northern Ontario allowance in the provincial mining tax was instrumental in attracting this investment on the part of Texasgulf. The former member for Cochrane South was very much involved and concerned with those tax allowances that saw Texasgulf go ahead.

Mr. Laughren: The previous member?

Hon. Mr. Bernier: The previous member, right. The present member is very active in his area. He is bringing great things to his riding that were kind of neglected over the last several years—

Mr. Laughren: Name one.

Hon. Mr. Bernier: —that weren't coming to Timmins. They're coming there now. There are a few examples.

Mr. Swart: He's not even interested in being here; he's down in Florida.

Hon. Mr. Bernier: He's down in the committee working away, slaving on behalf of his constituents.

Such is the diversity of northern Ontario and its problems, that I find myself speaking at one moment of a copper smelter worth hundreds of millions of dollars of new investment, and at the next moment about the most rudimentary needs of people living in isolated communities.

That's the way things are in the north. The Isolated Communities Assistance Fund, which was established late in 1976 to meet the basic servicing needs—

Mr. Laughren: Just \$500,000 a year for all of Northern Ontario or a dollar a person.

Hon. Mr. Bernier: —of unorganized northern communities of fewer than 1,000 people, continues to provide such vital facilities and services as fire protection, fire trucks, portable fire protection packages and ambulance facilities—

Mr. Laughren: No health services and poor drinking water.

Hon. Mr. Bernier: —plus community water supplies—many areas have water supplies—

Mr. Martel: They've got a communal tap.

Hon. Mr. Bernier: —land drainage and road improvements.

Mr. Laughren: Tell us about the communal tap in Gogama and the nitrates in the water in Sultan.

Hon. Mr. Bernier: That list is enough in itself, I believe, to underline the serious hazards faced by some small communities

which, until now, have been without fire protection or adequate water supplies.

Mr. Martel: How would you like to go to a communal tap in Toronto?

Hon. Mr. Bernier: I hope members of the NDP were at the recent meeting of UCANO West in Thunder Bay over the weekend to see how they applauded the Isolated Communities Assistance Fund for what it has done for the smaller communities in northern Ontario. Of course, they're anxiously waiting for this Legislature to approve the Local Services Boards Act.

Mr. Martel: On the weekend, Father Brian McKee was telling you what you can do with the Polar Bear.

Mr. Laughren: I know where you were.

Hon. Mr. Bernier: I regret I wasn't with the group in Thunder Bay. I must say that the meeting here with Father McKee was very stimulating.

Mr. Martel: Did you give him any guidance?

Hon. Mr. Bernier: Not yet, no. I haven't spoken to my colleague.

Mr. Martel: Do you think he'll provide a little dynamite?

Mr. Laughren: He's a Tory too.

Hon. Mr. Bernier: I know he is. He'd make a real good member.

Mr. Laughren: If only he could find a riding.

Hon. Mr. Bernier: I think he's going to have a riding somewhere up there. I'm going to talk to him later.

Mr. Laughren: Give him Kenora.

Hon. Mr. Bernier: As well as continuing to operate the Isolated Communities Assistance Fund, our ministry will be creating conditions under which these small, isolated communities will be able to do a great deal more to improve their own circumstances, if they choose to do so.

We propose to do this through legislation enabling the residents of an unorganized community—and I say this again—if they wish, to establish a local services board. This would be a legally constituted body which, in the absence of any municipal government, could arrange for the provision of certain necessary services, such as a community water supply for Gogama—

Mr. Martel: Cottagers can't vote.

Hon. Mr. Bernier: —fire protection, sewage and septic systems, garbage collection, street lighting and so on. Any such community that meets certain basic and

simple criteria could choose to elect a local services board through procedures similar to those followed for creating local road boards or rural separate school boards.

The overall emphasis would be on self help. The services board would be allowed to raise money locally and to deliver or contract for basic services. In doing so, it would be recognized by the provincial government for limited grant services. What I want to emphasize here, because it is a point that is so important to the residents of these small, isolated communities is that this proposal is not in any way a proposal to slip a system of municipal government into any community. I want to make that very clear.

Mr. Martel: I call them community councils. You call them local boards. You rejected my amendment.

Hon. Mr. Bernier: No comment. That assurance is guaranteed, partly by the nature of the local services boards themselves and especially by the purely voluntary basis on which such communities are free to initiate or ignore the whole idea. It is not the government's role or intention to impose any such organization on any community that does not want it. Rather, it's our job, as we see it, to increase the opportunities and options open to communities which, by virtue of their size, location and economic base, lack some of the fundamental services and facilities they want for their own protection, safety and, of course, peace of mind.

I hope members on both sides of the House will keep these intentions and needs in mind when the time comes to debate and vote upon the bill that will make possible the creation of these local services boards.

Some forms of service to small northern communities must come from the outside. Here I think particularly of the need that exists in many parts of the north for basic medical and dental services. In co-operation with the Ministry of Health, we are continuing to work to provide more and better medical and dental services. Among new or continuing programs of this kind are funds for purchasing and installing medical and dental equipment; capital assistance to municipalities to provide medical-dental centres; bursaries to attract medical and dental practitioners to underserved communities; incentive grants designed to encourage medical specialists to set up practices in underserved areas of the north; and the operation of a mobile hearing clinic which tests children for hearing disabilities and refers them for treatment as required.

I spoke earlier of the Ontario Northland Transportation Commission with regard to transportation. As the honourable members know, the ONTC is also the agent in the provision of valuable communications facilities in the north. This year my ministry's budget includes transfer payments to the ONTC to compensate it for losses incurred in the operation of three systems. The largest of these is a \$300,000 item to cover depreciation and interest on electricity generating equipment used in the satellite station at Winisk and for telecommunications services provided by Bell Canada and Telesat Canada to Winisk. Another item covers the cost associated with the operation of standby power systems in the town of Moosonee. The third item is for the reconstruction of diesel electric generators supplying power for communications facilities of Bell Canada and Telesat Canada at Fort Severn.

As members will recall from the announcement in the most recent speech from the throne, our ministry will be seeking ways to provide a greater range of television service for remote areas in order to overcome the sense of isolation experienced by many northern residents. In this regard we are anxiously awaiting results of a hearing which the Canadian Radio-television and Telecommunications Commission held in Thunder Bay. We expect the commission's report no later than the end of this year. In fact, I hope we will have it in a matter of months.

New developments are also taking place in northern Ontario in the field of renewable energy. Funding from our ministry has been provided to design and construct solar-heated water systems and comfort stations in provincial parks, and for solar heating at a students' residence at Confederation College and a recreation centre at Dryden.

Finally, on the subject of communications, I am proud of the service the Ministry of Northern Affairs has been able to perform for the people of the north in bringing them much closer in touch with their government at Queen's Park. Given the problems of transportation and communications over those vast distances, it was inevitable in years past that people in northern Ontario would feel isolated from a government situated away down here in Toronto. Many northerners still feel that way, but with every passing day there is less and less reason for them to do so.

The great majority of our ministry's people are located in the north in Northern Affairs offices and satellite offices right across the map, not only in cities and major towns, but in small communities as well.

I must say our ministry's good relations with the people of the north can be attributed in large measure to the day-to-day efforts of our hard-working Northern Affairs officers. Many of them have been performing this same function for the government since 1970, long before our ministry was formed. Our acquisition of their services gave us a tremendous advantage in instant credibility and goodwill. Through this network of some 29 officers, almost everyone living in the north can make immediate contact with Queen's Park.

Apart from information provided immediately right on the spot, the answer to any resident's question can normally be obtained from Queen's Park within 24 hours at no cost to that individual. Our people provide information, whenever they can, about federal matters such as unemployment insurance, Canada Pension Plan, passports and so on. Our ministry is not reimbursed by Ottawa for this service.

Our attitude is simply that we are in the north to help the people in any legitimate way we can. If we have information we know is accurate, it is far more useful to provide it than to draw jurisdictional distinctions that matter very little to the individual who needs that help.

I realize these remarks of mine today have been quite an assortment of items, big and small. I make no apology for that, since they simply demonstrate the great diversity of interests which the Ministry of Northern Affairs must pursue if it is to serve the purpose for which it was established.

While members of the opposition parties will no doubt continue to point to the problems and deficiencies that remain to be overcome, I am sure members on both sides of the House share the satisfaction I feel about the progress that has taken place year after year in northern Ontario.

[5:15]

Coming to work this morning I picked up a copy of the April 23 Toronto Sun and read my horoscope and I think it's very appropriate. My horoscope, obviously, is Leo and I think the members would be interested in knowing what it says for Leo on this date. It says: "You should have ample reason to smile today because you see long-range plans starting to unfold in a very positive way." That horoscope certainly fits in with my comments today and my report to the members of the House on the progress that this young new ministry, this vibrant ministry is making on behalf of northern Ontario.

Finally, I would be remiss if I did not acknowledge the dedication and the contributions of the ministry staff who have worked very hard for the first two years in our operations.

Mr. Bolan: Mr. Chairman, following that statement I suppose the first thing we have to do is to try to put a definition to the area which constitutes northern affairs. If we're going to look into the affairs of northern Ontario, let's first of all try to put a definition to northern Ontario in terms of its boundaries. Naturally, the first place one would refer to is the act itself and see if there is anything which defines northern Ontario in the act which was passed in 1977. On going over this, it's quite obvious that there was no definition whatever. There was nothing put into it to define the boundaries of northern Ontario.

I think we can figure out the western boundary very easily. We can figure out the eastern and northern boundaries but where is the southern boundary of northern Ontario? Where does it start? So we decided to do a little research on it in view of the fact that the act didn't contain anything about its definition.

We started looking around to try to find northern Ontario. Where is northern Ontario? It has been defined by various historians over the past 40 or 50 years as being anything from a line extending from Sault Ste. Marie right over to Mattawa. It has been defined by others. This is in a book entitled Northern Ontario, a bibliography compiled by Lorraine Spencer and Susan Hollands: "Northern Ontario is that part of the province which lies north of the Canadian National Railway running from Cochrane to Kapuskasing and Hearst to Sioux Lookout."

It's been described by the Northern Ontario Curling Association as being north of the Mattawa and French Rivers and from the Manitoba border to the Quebec border, including clubs from Timiskaming and northern Quebec in Noranda, Quebec.

So it has been difficult to put a definition on northern Ontario; until April of 1977. At that time, we know what happened. The arguments as to the southern boundary of northern Ontario were settled in April of 1977, and this arose as a result of the provincial Progressive Conservative government's decision to introduce into the budget the \$10 licence fee.

They had good reason to introduce a \$10 licence fee. The Treasurer himself stated the reasoning for the flat registration fee

was that it cost more to operate a car in northern Ontario than in the south because of the greater distances travelled, the effect of climate and higher gasoline prices; so that was a good move. However, the provincial government defined northern Ontario at that time as the land lying north from the French River to the Manitoba border. That was defined in April of 1977 as northern Ontario.

However, this definition excluded Parry Sound; and then, of course, we all realized that "forlorn Lorne" was in difficulty in Parry Sound. So they did a little bit of gerrymandering; the government reversed its decision and stated that northern Ontario was to be defined as the area of land from the Manitoba border to the Quebec border and extending south to include the district of Parry Sound. This announcement was made by the Parry Sound representative, the Minister of Revenue (Mr. Maeck), on April 29, at the annual meeting of the Federation of Northern Ontario Municipalities, which was being held in Parry Sound. That's when the announcement was made to include Parry Sound in northern Ontario. To Parry Sound, I say: "Welcome; join the club. If it means you get a \$10 licence fee, that's fine. We will buy that." However, you start to look into other volumes, into other books to see whether or not Parry Sound is included in northern Ontario. We look at the construction program for roads in northern Ontario—and it's a good program, the government has gone a long way on improving roads in northern Ontario—however we go through the book and we have the various areas, Nipissing, Timiskaming, the Kirkland area, the Timmins area; but when you look for the Parry Sound area it's not here. What's happened to Parry Sound? It's not included in the construction program for 1979-80 in northern Ontario. Of course it isn't, because it's included in the other road programs.

You then go and you look at the other construction programs of the Ministry of Transportation and Communications for Ontario and where is Parry Sound? I say to myself, "Well maybe they missed it. Maybe the Ministry of Northern Affairs made an honest mistake and forgot to include it."

Mr. Martel: He lost it; he lost the whole business.

Mr. Bolan: They have been losing more than that, let me tell you. This morning, to settle the argument, we telephoned the ministry.

Mr. Laughren: That's a mistake.

Mr. Bolan: We telephoned the Ministry of Northern Affairs and this was their reply about the boundary line of northern Ontario. I have a little map here which we are going to have a look at which sets out the boundaries of northern Ontario as defined by the ministry. Here it is: From the town of Mattawa westerly along and including highway 17 to highway 94; southerly on highway 94 to highway 11; south on highway 11 to highway 654 but excluding highway 654; westerly along the south shore of Lake Nipissing to French River; and westerly along the French River to Georgian Bay.

Mr. Martel: What happened to Parry Sound?

Mr. Bolan: Where is Parry Sound? Again, where is Parry Sound; especially when it was a government statement that Parry Sound belonged to northern Ontario? The obvious conclusion, to me, is if it belongs to northern Ontario for the \$10 licence fee, then I want Parry Sound for all of northern Ontario references. We can't find it so we can only presume the southern boundary of northern Ontario fluctuates from year to year—

Mr. Nixon: From election to election.

Mr. Bolan:—depending on whether or not there is an election.

Mr. Martel: So much for competence.

Mr. Bolan: I would suspect either this year or next year, or whenever there is going to be another election, the southern boundary of northern Ontario will start at Bloor Street. Then you can give everybody a \$10 licence fee. In any event, that was a very interesting piece of gerrymandering which was done in very elegant style.

Incidentally, for those who may think all is well in northern Ontario, they are thinking wrong. Things are not well in northern Ontario. There are many complaints made by many people in northern Ontario. There is a Heritage Party which was formed in northern Ontario.

Mr. Martel: By a Tory.

Mr. Bolan: By a Tory at that. He couldn't get any place with you guys so he decided to strike out on his own. Even before him, there was somebody in Sudbury who was writing some very interesting articles about northern Ontario, and his name was Michael Hopkins. Perhaps the honourable member knows him. He was writing a column for the weekly Sudbury Life newspaper, advocating a new province for the Ontario north, and in his article Hopkins wrote as follows:

"The time has come for action. The time has come to let Queen's Park know that we

can exist nicely without them. Ministers of the cabinet make laws and regulations for the north, but when it comes time to visit this area, to discover from the 'peasants' whether their edicts have a place or are applicable to the situation, they avoid us like the plague."

Incidentally, while we are dealing with that word "peasants," I would like you to know, as the Minister of Northern Affairs, what some of your ministry people call your ministry. It is called "The Bureau of Colonial Services." That is what it is called by your own ministry people. They say that at cocktail parties in a joking and jesting manner. However, it is not a joking matter.

Going on to Mr. Hopkins, I thought I should read into the record what his version would be of the province of northern Ontario and who it would consist of. As Premier, Leo Delvelano.

Hon. Mr. Bernier: It might well help the honourable member; I think it should be Michael Atkins instead of Michael Hopkins.

Mr. Bolan: I have Hopkins written here.

As Premier, Leo Delvelano. We all know Leo. As Attorney General, a former member of this House, Elmer (Gantry) Sopha. As Minister of Intermunicipal Affairs, the honourable Elie Martel. As Minister of Sports and Recreation, Red (norOntario) Venturi of Blind River. You know all these people. Minister of Mines, Harold Baudet, of Onaping Falls, and from Thunder Bay, as Minister of Tourism and Public Relations, Lou Assep.

From Kapuskasing, Minister of Natural Resources, Ben Piche. I think that is wrong, I think that should be Rene Piche, about whom I am going to have an awful lot to say during these estimates, incidentally.

Mr. Nixon: Isn't that the guy who runs the railroad?

Mr. Bolan: He tries to. As Minister of Consumer and Women's Affairs—very thoughtful—Gertrude Polsetta of Walden. Minister of Industrial Expansion—and he certainly has been very expansive himself—Arthur Wishart, of Sault Ste. Marie.

Mr. Nixon: He will never give up the job he has got.

Mr. Bolan: Minister of Cultural Affairs, Betty Meeks, Sudbury. Minister of the Environment, Floyd Laughren, Chelmsford. This is the best, this is unquestionably the best: Minister of Finance, Merle Dickerson. Of course, we need an ambassador to Queen's Park South, and the ambassador would be Rene Brunelle. As Lieutenant Governor, although he has since departed, Joseph

Fabro. We may be able to get an order reviving him.

In any event, that is the government of the new northern Ontario, as set out by the gentleman to whom I have referred.

I suppose now we have to get serious, although after reading the statement that was made by the minister it may be a little difficult to get serious, because he really hasn't told us anything we don't already know.

[5:30]

Going through the estimates briefing book, which has been with us for some time, I would like to refer to certain pages and to indicate to the minister the questions which I will be asking him as we go on each item. The reason for this is to give the minister every opportunity to have the answers available.

On page two, under vote 701, are the 1977-78 estimates for the ministry's administration; there is a total estimate of \$802,000 and actual expenditures of \$744,000. Dealing with the estimates for 1978-79, there is a total estimate of \$1.17 million. What I would like to know is, does the minister have the figures yet, or will he have them available during these estimates, of the actual expenditures in each of the votes in 1978-79? Will he have the actual figures as compared to the estimated figures?

Hon. Mr. Bernier: If they are available, we will have them.

Mr. Bolan: Fine; thanks. The reason I am asking is that it would appear, in comparing many of the estimates and actual expenditures in 1978-79, there were certain areas where some funds were not expended. It is all very well not to spend money; however, I would like to have an explanation as to why the funds were not expended and whether whatever was not spent in those particular estimates is included in the 1978-79 estimates.

The other thing I would like to know is how much of his ministry's total budget consists of payments made to the Ministry of Northern Affairs from other ministries. How many transfer payments are there, for example, from the Ministry of Transportation and Communications, or whatever the ministry is? Who provides the funds to this ministry with which priorities are set?

I would like to spend a few moments, if I may, dealing with the proposed legislation of the local service boards. I do not know who prepared this white paper—bounded, naturally, by blue—but whoever prepared this has never been north of Bloor Street. Obviously he has never been through northern Ontario; he has no idea of the problems

that exist in northern Ontario. However, I will say this: The concept is good. I will admit that; the concept of the local service board is good.

The meetings which either myself or my constituency assistant attended—in the North Bay area—there were about five or six in all—

Hon. Mr. Bernier: Did you attend any?

Mr. Bolan: Yes; in Phelps township. The reason I did not attend the first one is that the ministry did not even tell me until the day before the meeting that the meeting was on that night. Naturally, being very much concerned about other parts of my riding, I had accepted an invitation to attend another meeting which, I might say, one of the ministers' lemmings attended—one of those little people who run around in baby-blue jackets.

The minister didn't know what a lemming was? There are 29 of these information officers, spies—whatever they may be. They run around and, as soon as something happens in one part of the province, or one part of northern Ontario, or one part of the riding, they telephone the ministry's office and tell them what is going on. They all parade around in these nice baby-blue jackets. Incidentally, who pays for the jackets? The minister might let us know that. In any event, there are 29 of them. I didn't know what I should call them; whether they should be called "Bernier's Bats" or "Leo's Lemmings."

Mr. Nixon: I thought a lemming was the car the minister drives. Perhaps when you buy a Ford you got a lemming.

Mr. Bolan: We did attend some of your meetings, and I might say that the local information officer at North Bay, Mr. Levis, gave very good briefings of your ministry's position. I was surprised at the adverse reaction to the concept of the local service boards, particularly the taxation features of it; that concerned people very much. It was explained to them that if you are going to get fire pumper trucks, or whatever, you need funds to run it. However, they simply refused to accept the fact that there should be an additional form of taxation imposed on them. It is this form of taxation more than anything else which really bothers them.

I think the general concept of the board is good. Of the people to whom I spoke, at this meeting as well as in my office up there, what they wanted was some kind of voice in dealing with government. When they are from small unorganized townships

like this they simply don't have the body to put together, or the representatives, to come here to speak to you or to the various ministries involved.

They were looking at that as something quite significant about the local service boards, in that it would give them some kind of a forum through which they could contact Queen's Park or your ministry office in their region.

Some of the questions which were asked concerned, for example, the upper limit the ministry would meet. Supposing you established something for sewage treatment, septic tanks or whatever the case may be; what is your maximum level on each item? This is an area that concerned them most.

However, I want to get back to the question of taxation. You proposed either having the local service board tax the individual home direct, or raising money through various raffles, et cetera. These people became quite offended when they found out that one of the means of raising money is to bake cakes and bread and sell them in the basement of the church. They told me: "The people in Toronto don't have to hold a raffle or bingo or lottery to buy a fire truck or if they want to improve their standard of life."

Of course not. However, the people of northern Ontario are expected to take a baking course and start baking cakes and tarts. Does this mean that we now call you the Minister of Cakes and Tarts? I don't know. I would suggest you go back to the drawing board and that you change the format with respect to the collection of funds.

I have a proposal. Whether you want to accept it or not, I don't know; that's up to you. I doubt that your government would accept it, because it has to do with the provincial land tax. As you know, the provincial land tax represents 15 mills of the 1954 assessed value of a building. The provincial land tax applies in unorganized townships and it also applies to gas lines or pipelines which may pass through unorganized townships; they have to pay tax there.

This amounts to a 15-mill levy on the 1954 assessed value of a property. These people asked me at these meetings and others, "What are we getting for this provincial land tax?" It was pointed out to them by your information officer, "You get hospitals, you get fire protection, you get Ontario Provincial Police service." Yes, that's true. But so do the people in southern Ontario. They get all of that. And are they paying a provincial land tax? Of course they're not. They're not paying a provincial land tax. They pay a municipi-

pal tax which is levied on them each year, based on the needs of that municipality.

But when you identify where the moneys go—I think it's about \$15 million which was raised by this provincial land tax from the unorganized communities—they go into the consolidated revenues. You may say it goes for policing, or it goes for this or that. That is going to be done, regardless. I don't see why the people of an unorganized township who have to pay this tax get nothing for it.

I pay municipal taxes, and so do you. However, you can go over every item, Mr. Minister, and you can see where your money is going, whereas people in organized townships, when they are dealing with the provincial land tax, can't. On top of that they pay the school tax or whatever the case may be. That is identifiable; that they can see. But when it comes to the provincial land tax, they can't see where the money is going. As I say, it goes into consolidated revenues. As far as I'm concerned, it's another method the government has of raising moneys.

What you're trying to do with this proposed legislation is encourage unorganized townships to identify their needs, to identify their problems, and to assume some of the responsibilities of providing these services. I put this proposition to you: Northern Affairs will give them a dollar for a dollar if the local board will identify the service it requires. The share of the local service board will be deducted from the provincial land tax.

Just try that out. Let it sink in. It makes sense. In the first place, they then are getting something for the money they are paying. They are getting something tangible, something they can see—something which is right there.

Second, it creates what I consider to be the essential ingredient of your proposed legislation—that is, the encouragement of unorganized townships to form their local service boards.

You might want to have a look at that. You might want to run it through the Treasury. I don't know. It is a suggestion I am making. However, I will not support this legislation in its proposed, white paper form basically because of the principle of taxation—the way you have set up the system for collecting funds. As I say, the idea is sound. If we can just work together and get something going as far as the method of raising money is concerned, you may have something which is presentable to our party and to the people of northern Ontario.

In passing, I've indicated your roads program is a good program. More roads are being built—mind you, they're needed. I think

this is a good example of where your ministry is identifying the priorities of various communities and various highways in northern Ontario. On that we have no quarrel.

I think one of the biggest things the Ministry of Transportation and Communications has started, and which you are identifying, is that third lane, that passing lane. That improves things so much. You have to be in northern Ontario to really see it. You'll go miles and miles where there is no problem; then you'll come to a big hill or a long curve, and there's a lumbering truck carrying a huge Euclid on it, and everything is bogged up for maybe a mile or two miles. So you put in the third lane and that really solves many of their problems—oh, the member for Timiskaming is now here. The improvements done between North Bay and Temagami really attest to that. There have been general improvements all along. I think the road programs have really improved and I would certainly like to see a continuation of same. [5:45]

The Ontario Northland Railway: It's a great railway line. I think that now we've all had the opportunity to read Tucker's book, *Steaming into Wilderness*, we have a better insight as to what role the government can play with this particular railroad and who the real owner of the railway is.

Let me tell you, this railway is owned by the people of Ontario and not by the Ontario Northland Transportation Commission.

Mr. Havrot: Not by North Bay either.

Mr. Bolan: Some of these people on that commission think that this is their own little private railway line and, believe me—

Mr. Nixon: They've got their own little private car.

Mr. Bolan: —some of the ways they go about throwing their weight around in northern Ontario as they shuttle from one car to another and as they tamper and tinker with a very sophisticated multimillion-dollar transportation and telecommunication system, believe me, Mr. Chairman, is frightening.

Mr. Nixon: They think it was built by Lionel.

Mr. Mancini: They're taking their cue from the minister.

Mr. Bolan: About three or four months ago, the ONTC fired Stu Clifford. Do you remember Stu Clifford, the general manager of the Ontario Northland Railway? He was a dedicated railway man, there is no question about it. He had a good railway. He knew what to do with it. He had good, sound, railway policies.

Mr. Havrot: And provided lots of employment for North Bay.

Mr. Bolan: All of a sudden you read in the paper that he's fired. The reason given for him being fired was a difference in policy between—

Mr. Nixon: What was the real reason?

Mr. Bolan: —how he was running the road and how the ONTC wanted the road to be run. Let's assume that that was the case. Certainly, if his policy differed from the ONTC policy then there should be some changes made. However, what I want to know is this. After all of the years that he was the general manager for the Ontario Northland Railway, what was there about his policies that suddenly soured the government?

Mr. Havrot: They finally caught up with him.

Mr. Bolan: What was there about the policies of Stu Clifford that all of a sudden made them say, "Sorry, baby, you've got to go"?

Mr. Havrot: They finally pulled it out of the grasp of North Bay.

Mr. Bolan: And, what policies replaced them? What are the new policies of the ONTC? Which one was anathema to the government or to the ONTC and what replaced it?

At the time of the firing, your illustrious chairman, about whom I'll have more to say later, made the remark, "Oh, well, there will be some disclosure about it in two or three weeks." We're still waiting.

Mr. Nixon: We never heard a thing.

Mr. Bolan: We're still waiting for word from Mr. Mathews.

Mr. Nixon: A coverup.

Mr. Bolan: I don't know how long we're going to have to wait but I can assure the minister of one thing, I want the answers in this House, and we're entitled to the answers in this House because these are public funds. You're dealing with my money, your money, with the money of the taxpayers of Ontario, and they want to know what's going on.

The other thing is this. Why is it that the ONTC conducts all of its meetings behind closed doors?

Mr. Havrot: Not when I was there.

Mr. Martel: The green door, no less.

Mr. Bolan: Is their operation so sinister that it's required they do it behind closed doors? I will agree that there are times when you are dealing with public funds and with personnel that the meeting should be behind a closed door. In land acquisition, for ex-

ample, you don't want the public to know what's going on at the time of negotiations. If you're dealing with personnel, personalities should not enter into it. There are times when meetings like that perhaps should be held behind closed doors.

But the way they run their meetings, they don't even announce where the meetings are being held. They don't invite the press. The press is given a statement one or two days later, or whatever the case may be. As a taxpayer of this province and as a resident of northern Ontario, I want to know why those meetings are held so secretly behind some kind of a door or on a railway car off on some siding.

Mr. Martel: In Moonbeam.

Mr. Bolan: That's terrible.

Mr. Mancini: They're trying to protect the minister; that's all they're doing.

Mr. Nixon: They're not still using those private cars. I thought those went out with Leslie Frost.

Mr. Bolan: They have them. There was a big fancy one parked in North Bay on Sunday. It was a big one and it was loaded.

Mr. Havrot: They are going to move the whole operation out of North Bay. That will really upset you.

Mr. Bolan: They won't even let the member for Timiskaming on that car. They won't even let him close to it because they'll think he is going to blow it up.

Mr. Havrot: The next move is to move the whole operation out of North Bay. That will really upset you then.

Mr. Bolan: In any event, Jack Mathews—

Mr. Havrot: A great chairman.

Mr. Bolan: —about three or four months ago made the announcement that Stu Clifford was fired. About two weeks after that, he starts talking about moving some of the ONR operation from North Bay.

Mr. Havrot: Hear, hear. That's the best move.

Mr. Bolan: Coming from Jack Mathews I didn't consider it too seriously because his head has been so rattled by trying to take fenders out of bumped cars that he really doesn't know from one day to the other where he is going next.

Mr. Nixon: Is he a body man?

Mr. Bolan: He was a body man in Cobalt.

Mr. Havrot: He's a good businessman.

Mr. Nixon: The minister can pick them.

Hon. Mr. Bernier: He says nice things about you.

Mr. Martel: What's his primary qualification? Tory?

Mr. Bolan: However, the mayor of Kapuskasing comes to North Bay and literally spreads verbal terror about moving certain facilities out of there, incidentally, after the ONTC had looked at where would be the best place to expand facilities with respect to repairing the locomotives and the cars. After they had agreed on North Bay being the best site, mind you, indicating that they had made some studies on it—

Mr. Nixon: That is the best site.

Mr. Havrot: Englehart.

Mr. Bolan: —the mayor of Kapuskasing, who is also the chairman of the municipal advisory council and also on the Ontario Northland Transportation Commission, gets up and says, "There are three areas of the ONR operation which should be moved out of North Bay." He mentioned them. Telecommunications was one. That goes to your place.

Mr. Havrot: New Liskeard.

Mr. Bolan: New Liskeard, right.

Mr. Havrot: That's where you lost.

Hon. Mr. Bernier: He's a Liberal.

Mr. Bolan: Then, after that, bus transportation in Timmins—

Mr. Havrot: Timmins, right.

Mr. Bolan: —and the yard facilities or what have you to Englehart.

Mr. Martel: Close to Chapleau.

Mr. Bolan: I said to myself: "These are not just the remarks of a flippant ONTC chairman or commissioner. This man has given this some thought." That's what was frightening about it. I see the member for Timiskaming back there is certainly in agreement with what Piché and Mathews were saying.

Mr. Havrot: I'm all for it.

Mr. Nixon: He pulls the strings. He writes the speeches.

Mr. Havrot: I said that in 1971.

Mr. Bolan: I ask the minister how can a chairman, as weak as he may be, hold the position as chairman of that commission—

Mr. Havrot: He is a great chairman, doing an excellent job.

Mr. Bolan: —when he already has a biased opinion as to what should happen to certain existing facilities?

Mr. Havrot: He is representing the people of northeastern Ontario and producing revenue for the ONR.

Mr. Bolan: Do you know what they say? "There are too many facilities in North Bay; therefore, we have to move some."

Mr. Havrot: How many dollars has North Bay produced for the ONR?

Mr. Bolan: If somebody can come to me with a plan and show me that it is more feasible socially and economically to put it in the member for Timiskaming's back yard up there, I'll say put it in his back yard. By all means, go ahead.

Mr. Havrot: That's where it's going.

Mr. Bolan: But you can't do it.

Mr. Nixon: They can't show that.

Mr. Bolan: You can't sit down with a pencil and a piece of paper and show me where it is economically viable to do that.

Mr. Havrot: They've already saved \$600,000.

Mr. Nixon: That's no way to run a gold mine.

Mr. Mancini: Ask the Provincial Secretary for Resources Development (Mr. Brunelle). He'll tell you.

Mr. Bolan: What these people fail to realize, although some of the better members of the commission realize it—what's the name of the chap from Sault Ste. Marie?

Mr. Havrot: Oh, I thought it was the one from North Bay you were talking about.

Hon. Mr. Bernier: Ian Hollingsworth.

Mr. Bolan: A good man. A good appointment. He's okay. The same goes for the member from North Bay, Carr. He's a good guy too.

Mr. Havrot: Oh, yes, a great man. They're all great.

Mr. Bolan: They realize that North Bay is at the centre of an interprovincial communications system. They realize how important it is for it to be there and they realize how important it is for the facilities to be brought there. However, you have these two rabble rousers who go around, as I said before, spreading verbal terror, saying they are going to move this and move that. I know they came down and there was a meeting down here with you about that. Somebody poured some water on the flames, because Mr. Mathews got back and made a statement to the effect that there was not going to be any of this.

Mr. Havrot: Where did you hear that?

Mr. Bolan: We have more, although it really isn't that bad. Your deputy minister was in North Bay last week. Here is the headline: "ONTC Not Target Of 'Extra-

ordinary' Government Review, Deputy Minister Says." That is the North Bay Nugget.

Mr. Havrot: Did your wife set up the headlines for that?

Mr. Bolan: No, she is tending the child right now. That is dated April 19, 1979. If ONTC is not the target of extraordinary government review, what are the ordinary government reviews which are the target of the ONTC? Perhaps that can be explained. Do you want to hear what is going on? Here is what is going on. I don't mean you personally. I want you to know that, because you are a good guy.

What you want to do is destroy the fundamental philosophy of the Ontario Northland Railway, which is a development railway. You want to destroy that and you are on your way to destroying it if you start getting rid of certain operations within the ONR.

I will tell you right now, Bell is after the telecommunications system. You know that. They want to buy it because they know how good it is. Surely to goodness, Mr. Minister, you are not going to allow that to be sold.

Mr. Havrot: We are moving it to Timiskaming.

Mr. Bolan: You are not going to allow that to be sold because that is a really significant asset, which more than anything else, sir, puts you, puts me, puts the government at the disposal of the people of northern Ontario. If Bell ever gets hold of that, we will not get the good service which we are getting now.

The CNR wants to buy your railway line. Do you know why? Because the railway line itself, with the development that is going on in northern Ontario, with the demand for the transportation of raw materials, is a money maker. That is why they are interested in it.

If you talk to some of the people in the railway business in Ottawa, that is what is going on. I suspect that with this government's attitude and approach in looking at the bottom line and just trying to see black down there, you are going to fall for it and start getting rid of some of the very valuable assets which the ONR owns.

When you are dealing with a development line you cannot keep your eye on the bottom line and expect to see a black figure there. I am not saying we should be wasteful, I am not saying that at all. We should keep a close eye on it. However, it is not the be-all and end-all of the balance sheet.

I suspect that because certain of the operations are not producing, they are not generating dollars and cents—

Mr. Havrot: Chief Commanda.

Mr. Bolan: —you are looking at getting rid of them. The member for Timiskaming has just mentioned one, Chief Commanda. When Chief Commanda was built, how much did it cost? About \$350,000.

Mr. Chairman: I wonder if the honourable member could look over his left shoulder at the clock? I think it's about six o'clock.

Mr. Bolan: I'm not finished.

On motion by Hon. Mr. Bernier, the committee of supply reported certain resolutions.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Bernier: Mr. Speaker, I wish to table an interim answer to question 128 standing on the Notice Paper. (See appendix, page 1224).

On motion by Hon. Mr. Bernier, the House adjourned at 6 p.m.

APPENDIX

(See pages 1201, 1223)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

STUDENT DROPOUTS

116. **Mr. Bounsall:** (a) Will the ministry provide details about the percentage of the total students who drop out of the Ontario elementary and secondary schools and who cease formal education before graduation? (b) Will the ministry, please, break down the statistics by: (i) school board; (ii) elementary/secondary; (iii) native people/others; (iv) male/female. (c) In each case, will the ministry provide data for the last 10 years. (d) Is the ministry satisfied with this present level of student retention? [Tabled April 5, 1979. Interim answer April 19, 1979. Approximate date information available April 20, 1979.]

See sessional paper 39.

NAMES OF PHYSICIANS

128. **Mr. Cassidy:** Would the Minister of Health table the legal opinion which substantiates his contention on March 27, that it would be a violation of section 44 of the Ontario Health Insurance Act for the Ministry of Health to publish simply the names of those Ontario physicians who are enrolled in OHIP and those who have withdrawn from OHIP? Furthermore, would the minister indicate on what date he communicated with the ministry's solicitors regarding this matter, and would he table any correspondence pertaining to this question? [Tabled April 9, 1979.]

Hon. Mr. Timbrell: There is insufficient time to prepare a complete answer due to the volume of questions already asked of the ministry. However, I expect to have the answer ready by May 29.

MINI-SKOOLES LIMITED

129. **Mr. McClellan:** Based on the most recent inspections, including the visit of the inspector on April 9, what is the total enrolment of children at Mini-Skools Kingsview II Daycare Centre at 270 Dixon Road? What are the staff-child ratios? What are the qualifications of the staff at this centre? How frequently has this centre been inspected? [Tabled April 10, 1979.]

Hon. Mr. Norton: In response to the above question, I submit the following:

1. The total enrolment of children at Mini-Skool Kingsview II Daycare Centre at 270 Dixon Road, as of April 9, 1979 is 105, with 77 in attendance specifically on April 9.

2. The staff-child ratios as of April 9, 1979, were: two and a half staff for 10 infants (six weeks to 12 months); two staff for seven toddlers (12 months to 18 months), plus three children two days per week; two staff for 10 toddlers (18 months to two years); two staff for 15 children (two years to three years); two staff for 21 children (three years to 4 years); two staff for 14 children (four years old); two staff for 14 children (five years old); one staff for 10 school-age children (seven of these children are in attendance morning and afternoon, one child in the morning only and three children in the afternoon only).

3. On April 9, 1979 the qualifications of staff were as follows.

Infants: two nurses (one trained in Hong Kong and one trained in England), one teacher (trained in Italy).

Toddlers: one teacher (graduate, National Nurseries Education Board); two teachers (each has over 50 per cent credits towards early childhood education diploma); one teacher (elementary Ontario teacher's certificate); one staff member (untrained).

Pre-school children, age two to four years: one teacher (BA in Psychology and elementary Ontario teacher's certificate); one teacher (has almost completed early childhood education program for diploma); one nursery aid (George Brown College nursery aid course); one teacher (enrolled in early childhood education through extension); two staff members (untrained).

Kindergarten Group, age five years: one elementary school teacher (trained in Australia); one teacher (has first year early childhood education through extension); one supervisor (graduate, National Nurseries Education Board); one administrator; one cook.

4. This centre has been inspected by the ministry day nursery consultants on an average of every three months; and by Etobicoke health inspectors every two months or more often when health problems arise. Since there have been health problems since January 1979, health inspectors have visited once every three weeks. Since January, the public health nurse has visited weekly instead of once a month.

HAZARDOUS SUBSTANCES

130. **Ms. Bryden:** Will the Minister of the Environment indicate when his ministry will issue an update of the Hazardous Substances List and Handbook (Report No. ARB-TDA-33-76 (revised)) which was released in Decem-

ber 1976? What specific programs are in place to monitor and control the following substances, which are recognized as carcinogens in the 1976 Hazardous Substances List and Handbook and in many other jurisdictions: 2-acetylaminofluorene, 4-aminobiphenyl, benzidine, 3,3'-dichlorobenzidine, dimethylaminoazobenzene, dimethyl sulphate, methylchloromethyl ether 4,4'-methylene(bis)-2-chloroaniline, naphthylamine (and B), 4-nitrobiphenyl, n-nitrosodimethylamine, B-propiolactone? In what industries in Ontario are each of the substances presently being used? [Tabled April 10, 1979.]

Hon. Mr. Parrott: The revised and updated version of the Hazardous Substances List and Handbook is expected to be available by March 1980.

As part of its continuing hazardous contaminants program, the Ontario Ministry of the Environment has, in September 1979, engaged the services of a well-known consulting firm (J. F. MacLaren Limited) to conduct a study regarding the potential environmental and health hazards of a number of aromatic amines and azo dyes in Ontario, including 4-aminobiphenyl, benzidine, 3,3'-dichlorobenzidine, dimethylaminoazobenzene, 4,4'-methylene(bis) - 2 - chloroaniline, naphthylamine and 4-nitrobiphenyl.

The consultant's final report is expected to be available by midsummer 1979.

Preliminary information reveals that none of the above-mentioned compounds is being manufactured in Ontario. Their usage is limited to only a few industries, such as the rubber, plastics and pigments industries. Usage rates, with the exception of aniline and diphenylamine, are believed to be relatively small (or the order of 50,000-150,000 pounds/year). During processing, these compounds are usually incorporated into polymeric materials in relatively tightly bound form, thus further reducing the potential for environmental exposure.

Furthermore, the use of these compounds is believed to be decreasing in Ontario as they are gradually being replaced by less toxic compounds.

As to the remaining compounds in the list in question, they are not known to be produced or used in Ontario and, with the possible exception of n-nitrosodimethylamine*, are not believed to cause any significant environmental concern in Ontario.

Development of specific monitoring and control programs relating to the compounds in question will logically follow completion of the above-mentioned consultant's report.

*N.B.—Although this compound is not considered to be an industrial pollutant, its

formation from the parent amine through naturally occurring atmospheric processes cannot be excluded and may result in trace contamination of the environment.

DIPLOMA NURSING PROGRAM

131. Mr. Bounsall: Would the ministry indicate, in the five years immediately preceding Fanshawe College undertaking the teaching and training of the diploma nursing program, how many persons with a registered nursing assistant (RNA) background from all provinces applied for entry, how many were accepted, and how many graduated as RNs at Victoria Hospital, Woodstock General Hospital, and St. Thomas Hospital? In the five years since 1973, when Fanshawe College undertook the training of registered nurses, how many persons with an RNA background from all provinces applied for entry to the Fanshawe diploma nursing program, how many were accepted and how many subsequently qualified as RNs? Has the minister made any recommendations to community colleges in Ontario offering diploma nursing training, particularly Fanshawe College, with regard to whether persons with an RNA background should have any special consideration on application and, in particular, are Quebec RNAs, with near double the amount of theory hours and triple the number of practice hours than their Ontario counterparts, considered suitable applicants. [Tabled April 10, 1979].

Hon. Miss Stephenson: (a) The information on persons with registered nursing assistant background applying for entry and enrolling into diploma nursing programs is not available. Data on the above were not isolated for statistical purposes by the College of Nurses of Ontario prior to 1973, and are not reflected in statistics obtained by the Ontario college information system of this ministry. Fanshawe College was contacted and it indicated that these data are not being compiled locally.

(b) No specific ministerial recommendations have been made concerning applicants with RNA background. Colleges, generally, give special consideration to mature applicants (that is, age 19 or over) who have qualifications on an individual basis. Credits may be given for the appropriate skills and knowledge demonstrated. It should be noted that the theoretical and practical aspects of the diploma nursing program are at a different level in terms of the knowledge, practical skills and judgmental abilities required of the graduates. Further, the program and its successful students need to meet the provincial standards. Fanshawe College pretests

applicants and offers counselling services and upgrading courses to assist those who do not demonstrate the initial capacity to cope with the content of the program.

EMPLOYER-SPONSORED TRAINING

132. Mr. Cooke: Will the ministry indicate how many, if any, of the 220 firms which have employer-sponsored training programs in place were firms who previously had such training programs on their own initiative, and are now receiving funding for these programs? If there are such firms, how many of these have expanded their programs as a result of the public assistance? Could the ministry please specify numbers of trainees for these respective firms? [Tabled April 10, 1979.]

Hon. Miss Stephenson: The following table summarizes the required information. The figures are approximations.

	Percentage of training firms	Number of trainees
New programs	60	300
Old programs expanded ..	30	350
Old programs not expanded	10	100
Total	100	750

133. Mr. Cooke: Would the ministry please indicate the precise composition of the community industrial training committees established under the employer-sponsored training program, including the names and bodies represented of each member of each of the respective committees now established. [Tabled April 10, 1979.]

Hon. Miss Stephenson: The community industrial training committees are not government agencies. We would prefer that information on the names and affiliations of members be provided by the chairman of each committee. A list of the names and the phone numbers of committee chairmen is attached.

Locations, names and phone numbers of CITC chairmen: Atikokan, Jack McTaggart, Manpower Adjustment Committee, 597-4310; Belleville, J. Kimmett, Community Industrial Training Committee, 388-2063; Brampton/Mississauga, D. Hancocks, Peel Regional Industrial Trades Training Committee, 279-1010; Brantford, Michael J. Schuster, Trades Committee, 753-2617; Brockville, Rick Wilkins, Community Industrial Training Committee, 342-6621; Cornwall, Bill Mitchell, Community Industrial Training Committee, 933-7030; Etobicoke, Mr. D. White, Industrial Advisory Committee, 233-3520; Hamilton,

John Ronson, Industry/Education Council, 362-2161; Hamilton, Ken Cooke, Hamilton Industrial Training Advisory Committee (HITAC), 528,6656; Hearst, R. Cloutier, Hearst Employer-Sponsored Training Committee, 362-4227; Kitchener, Larry Rechsteiner (interim), Provincial Advisory Committee—Metals Machining Sector, 653-2511; London, Ken Holland, London Industrial Training Advisory Board, 455-1010; Orillia, Robert D. McCullough, Community Industrial Training Committee, 325-6131; Oshawa, Gord Hanna, Community Industrial Training Committee, 728-1683; Peterborough, D. Gray (interim), Peterborough Council of Economic Progress, 743-5610; Sarnia, Dave Bell, Lambton Industrial Training Committee, 996-7346; St. Catharines, Joe Milloy, Niagara Industrial Education Council, 934-2581; Sault Ste. Marie, Bill Watts, Community Industrial Training Committee, 945-3767; Smiths Falls, Norm Birchard (interim), Community Industrial Training Committee, 725-7010; Thunder Bay, Jim Pirie, Community Industrial Training Committee, 344-0794; Wallaceburg, Jack Lacey, Economic Development Commission, 627-5239; Windsor, G. Shaffer, Task Force on Industrial Training, 252-3449; Woodstock, George Simmons, Oxford Industrial Training Group, 539-9439; Province-wide, G. Elford (Etobicoke), Canadian Tool Manufacturers' Association, 259-8418.

134. Mr. Cooke: Would the ministry please indicate the respective number of men and women currently participating in the employer-sponsored training program; and could the ministry please give a breakdown of occupational categories on the basis of male/female enrolment? [Tabled April 10, 1979.]

Hon. Miss Stephenson: Current registrations of men and women in the EST program are indicated below.

	Male	Female	Total
Precision metal	485*	5	490*
Maintenance mechanic	120*	0	120*
Total	605*	5	610*

* Approximate figures.

A short-term in-industry EST program at the Industrial Resources Centre in Etobicoke has trained 70 persons in industrial soldering; 25-30 of these were women.

Also, I would like to point out that one EST project has been specifically directed at attracting and introducing women into the skilled trades in Windsor, Ontario.

135. Mr. Cooke: Would the ministry please specify where the provincial funds of

\$585,000 for employer-sponsored training has been allocated? What amount of these funds have actually been spent and on what? Please explain the regulatory restrictions on the use of the federal funds for this program, mentioned in your answer on employer-sponsored training tabled March 29. Are the allocated provincial moneys to be recovered from the federal funding or are they the provincial government's contribution to the program? [Tabled April 10, 1979.]

Hon. Miss Stephenson: (a) Atikokan, \$15,000; Etobicoke, \$144,000; Hamilton, \$74,200; Kitchener, \$187,143; London, \$23,560; Oshawa, \$2,500; Sudbury, \$7,497; Timmins, \$7,000; Toronto, \$4,700; Thunder Bay, \$44,100; Welland, \$30,000; Windsor, \$38,700.

Total allocated, \$578,400; unallocated, \$6,600; Overall total, \$585,000.

(b) A total of \$578,400 has been spent. Uses include: needs surveys, the promotion of employer-sponsored training, the introduction of women to the skilled trades, the provision of staff support to an industry education council, the operation of career guidance centres, the purchase of training equipment, the operation of training programs.

(c) The Adult Occupational Training Act (AOTA) 1966-67, does not have the flexibility necessary for the training of highly skilled tradesmen. It is stipulated, for instance, that the duration of training should not exceed 52 weeks. Furthermore, it is spelled out that financial support should not be provided for more than 10 per cent of the time spent by an apprentice on the job. Although exceptions have been approved by the federal govern-

ment, these restrictions still represent major obstacles in using AOTA funds for training highly skilled tradesmen.

In addition, no provision is made under AOTA to support start-up costs above the normal operating costs incurred in the administration of training. The development of a new program such as employer-sponsored training requires a substantial allocation of funds to accommodate one-time start-up costs.

These limitations in the use of AOTA funds for the development and the operation of employer-sponsored training have made the infusion of provincial funds crucial to the successful implementation of this program.

(d) "Are the allocated provincial moneys to be recovered from the federal funding or are they the provincial government's contribution to the program?" The allocated provincial moneys are the provincial government's contribution to the program.

136. Mr. Cooke: Would the ministry please specify what percentage, if any, of the cost of training an individual under the employer-sponsored training program is borne by the employer? [Tabled April 10, 1979.]

Hon. Miss Stephenson: Industry has estimated that federal assistance through employer-sponsored training amounts to 15 per cent of their training costs. However, when the costs of trade theory training (usually done at a community college) are included, this proportion increases to about 30 per cent. It follows, therefore, that employers bear between 70-85 per cent of the overall cost of training.

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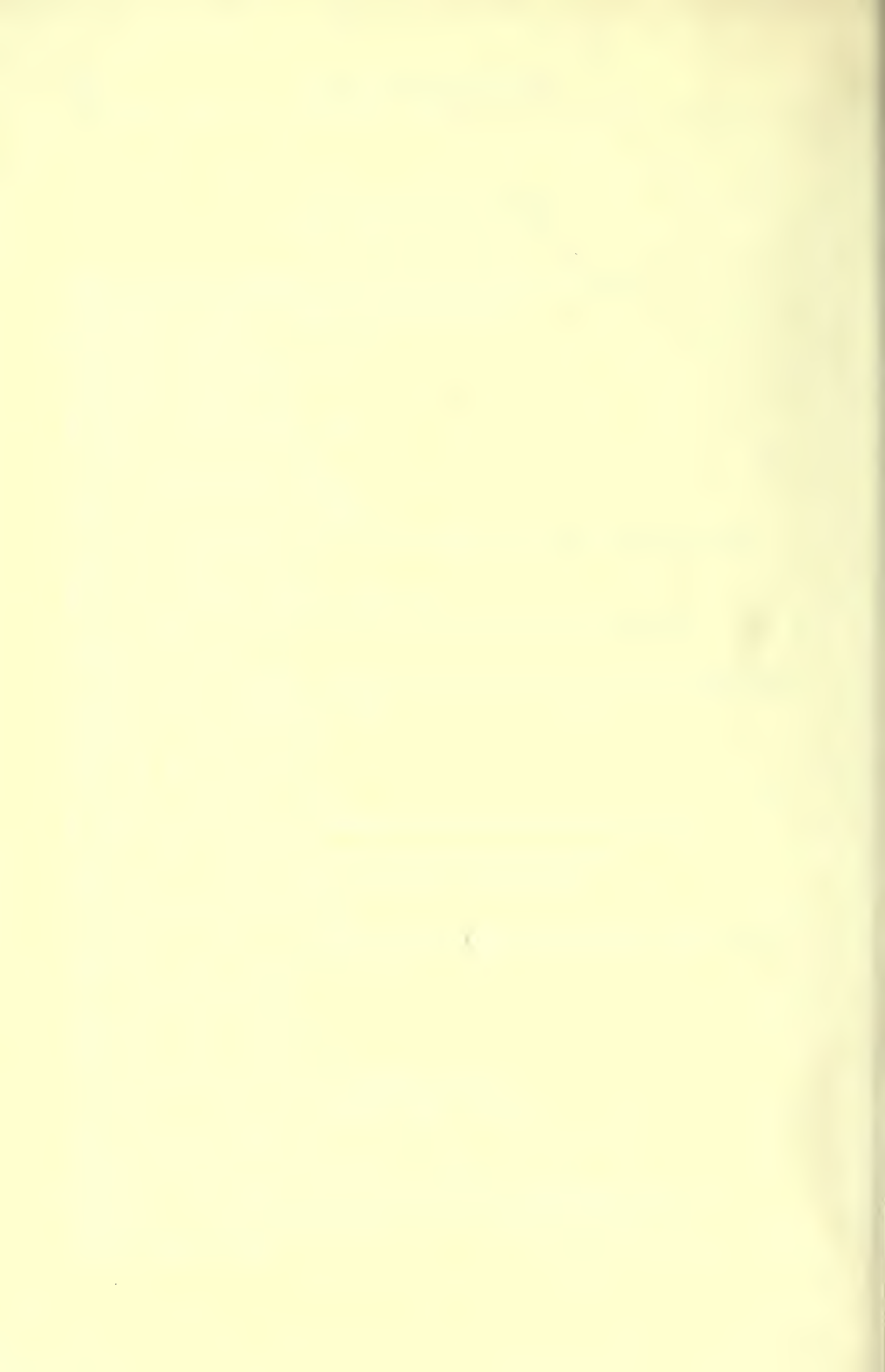
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 Miller, Hon. F. S.; Treasurer, Minister of Economics (Muskoka PC)
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Legislature of Ontario

Debates

Official Report (Hansard)

Third Session, 31st Parliament

Tuesday, April 24, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 24, 1979

The House met at 2 p.m.

Prayers.

ORAL QUESTIONS

Mr. S. Smith: Mr. Speaker, I wonder if there is going to be any indication as to when the Minister of Energy and Natural Resources (Mr. Auld), the Minister of Northern Affairs (Mr. Bernier), the Premier (Mr. Davis), the House leader (Mr. Welch), the Attorney General (Mr. McMurtry), the Provincial Secretary for Social Development (Mrs. Birch), The Minister of Industry and Tourism (Mr. Grossman), the Minister of Consumer and Commercial Relations (Mr. Drea), the Minister of Correctional Services (Mr. Walker), the Minister of Government Services (Mr. Henderson) and the Minister of Culture and Recreation (Mr. Baetz) will be in the House?

Mr. Speaker: The Leader of the Opposition has made his point. Does he have a question of any minister who happens to be present?

Mr. S. Smith: I have a question of the Minister of Energy, and I hope to ask it if he does show up.

APPRENTICESHIP PROGRAMS

Mr. S. Smith: I have a question of the Minister of Education. Granted that she takes the very attractive position that she wishes not to coerce anyone into an apprenticeship program does she also recognize some responsibility on the part of her ministry to bring together those who would like to have apprenticeship programs with those who are in a position to offer these programs?

In particular, when she rises to her feet to answer this question, would she comment on the case of a young man in North Bay who called the industrial training branch in desperation to try to find a job in which he could serve an apprenticeship and was told it was not the job of that branch to find such positions, but that he should look in the yellow pages to find an employer and then call the ministry back?

Hon. Miss Stephenson: Mr. Speaker, yes, I am aware of the responsibility to do that

and we have managed to achieve that in certain areas. I would like the experience the Leader of the Opposition has just described available to me so I may investigate this. It most certainly is the role of that branch of our ministry to assist in any way to put the appropriate people next to the young person who wants to be involved in an apprenticeship program.

Mr. S. Smith: By way of supplementary, even leaving aside the fact we asked for this in the campaign of 1977, does the minister not feel there is something dreadfully wrong in her ministry that in 1979 we still do not have a centralized mechanism by which those offering apprenticeships can be matched with those requesting apprenticeships? Surely nothing can be more elementary than that? Why is it not in place right now across the province of Ontario?

Hon. Miss Stephenson: Mr. Speaker, it will be in place across the province of Ontario in the very near future.

Mr. Cassidy: Supplementary: In view of the fact that one of the major problems in expanding apprenticeships in this province has been the failure of industry to co-operate in opening up apprenticeship positions, is this government prepared to insist that every major company in the province should provide a certain number of apprenticeships, and if they do not provide them they should contribute to those companies that will?

Hon. Miss Stephenson: Mr. Speaker, that is one of the mechanisms which is being examined right at the moment as a method of increasing the number of apprenticeships available.

Mr. M. Davidson: It will be once you review the Hansard report of what the member said.

Mr. Sweeney: Supplementary: Why is it we find ourselves in this situation now, when the government in 1963, in 1968 and in 1973—that's 15, 10 and five years ago respectively—commissioned reports which identified this problem, which recommended solutions and which warned what the consequences of inaction would be? How can that government possibly justify being in this kind of position at this time with all that warning?

Mr. Haggerty: It can't do it.

Hon. Miss Stephenson: I can't answer that. I don't know, but I'll find out.

Mr. Cooke: Supplementary: I'd like to ask the minister if she is satisfied with the rate of participation by industry across the province?

When she is commenting, would she also comment on the problem that exists in Windsor, where none of the three big automakers are part of the task force that has been set up to look into the problem and to organize the apprenticeship program in Windsor? One of the spokesmen for Ford Motor Company of Canada Limited has predicted that in order to get their skilled tradesmen they're going to have to steal from the small companies in Windsor that have done the training. Does she feel that is an appropriate way for the big automakers in Windsor to behave? Where is their responsibility?

Hon. Miss Stephenson: The answer to the second question, of course, is we don't have a task force in Windsor, we have a community industrial training committee which is functioning—

Mr. Cooke: They call it a task force.

Hon. Miss Stephenson: —and at the last meeting of which all three of the big automakers were represented. I am optimistic they are going to be participating. We are moving, I think, very deliberately, because of the enthusiasm of many of the employers in the province for involvement in industrial training, towards the development of many more places in both employer-sponsored training and apprenticeship. It is possible that this will be translated into a very widespread increase in numbers of places available within a very short period of time across the province.

Mr. Warner: A wounded turtle moves faster.

Mr. Speaker: The honourable the Leader of the Opposition with a final supplementary.

Mr. S. Smith: It would interest the minister to know that after the industrial training branch in North Bay told the young man to look in the yellow pages, he also called Queen's Park and was given no answer. But Queen's Park called back very recently and said to the young man someone had noticed in Saturday's Toronto Star that some firms were interested in apprentices, so they did him the service of suggesting he buy Saturday's Toronto Star.

Is that what ministry people are doing? Could they not, themselves, have called the various firms and put the young man directly

in touch with them rather than sending him to the news-stand?

Hon. Miss Stephenson: Mr. Speaker, I know for a fact that is indeed what happens in many instances; that the members of staff do contact various firms in order to try to find appropriate places; but with instances such as this being reported I shall most certainly look into this and report to the House.

DISPOSAL OF HAZARDOUS WASTES

Mr. S. Smith: I have an important question for the Minister of Energy, but I'll ask him in the rotation if he appears later and I'll now direct my second question to the Minister of the Environment.

Can the minister tell us why it is there would appear to have been no water quality monitoring of surface or ground water at the Fort Erie site? That is one of the sites which came to light as a consequence of the federal study we brought up in the House, which the ministry has failed to mention as having received hazardous wastes. According to a Ministry of the Environment inspector at the Welland office, there has been no water quality monitoring at the Fort Erie site. Can the minister explain that?

Hon. Mr. Parrott: I didn't hear it in the question; the Fort Erie site of what?

Mr. S. Smith: The dump site.

Hon. Mr. Parrott: The dump site; that report is coming and that will be included, if you wish, at that time.

Mr. S. Smith: By way of supplementary: Since another site that came to light in this way which the minister failed to reveal in his report to the committee, the Stephen township site, can he explain why there has been no water inspection for the past five years at a site which has previously been listed as accepting hazardous wastes?

On the subject of the Fort Erie site, given the presence of the Hooker Chemical Corporation of Fort Erie, is the minister in a position to guarantee that no waste from that company has ever been dumped into the Fort Erie site?

Hon. Mr. Parrott: I suggested to the member that those details would be forthcoming when we report on those sites. I might suggest to him that part of the delay, in fact most of the delay in giving an answer to the question asked previously, was in consultation with the legal department of the ministry. As the member knows, part of that earlier question related to Hamilton; we are not sure, but we think it's wise to delay that information. What has withheld it or

made it late in coming was that we wanted to be sure of that point before we commented here in the House or to the member personally.

[2:15]

Mr. S. Smith: By way of supplementary: I appreciate the minister's answering my request for the site inspection reports on the Upper Ottawa Street site by saying he is seeking legal counsel with regard to whether they can be released, but that has nothing to do with the 13 sites that came to light as a result of my question of some weeks ago, based on a report which his ministry seemed not to know about; two of which sites accepted hazardous wastes, and yet there is apparently no water quality monitoring going on. Could the minister please look into those and report back to the House?

Hon. Mr. Parrott: It isn't cast, as the Leader of the Opposition would have us believe, some long time ago. I think it was two weeks ago, not more.

Mr. S. Smith: I said a couple of weeks.

Hon. Mr. Parrott: That isn't an undue length of time.

Mr. S. Smith: I didn't say it was.

Hon. Mr. Parrott: At that time I said, and again today I would like to say to him, that we were talking about different lists and we were co-ordinating those lists.

Mr. Mancini: Answer the question. Just tell us when you're going to clean it up.

Hon. Mr. Parrott: Somehow or other the inference is always made that we withheld this information. Where in the world did the member get that information if it wasn't supplied by this ministry?

Mr. S. Smith: The minister didn't know about it.

Hon. Mr. Parrott: That's not the point. I don't pretend to have an intimate knowledge of all of the hundreds of thousands of vast reports that are made by the ministry. I'm sure the member doesn't have them.

Mr. S. Smith: The minister wrote to the committee and said—

Hon. Mr. Parrott: That is just not so.

Mr. S. Smith: It is.

Hon. Mr. Parrott: The Leader of the Opposition was asking for specific reports. We promised we would correlate them, and we will. I do have information today about the one on the township he mentioned. I thought the member would accept that we would correlate them all at one time. I said they'd be coming very soon. I also said the reason for the delay was centred on one

specific one. I think that's a fairly complete answer for the member opposite.

VISITOR

Mr. Speaker: Before I recognize the member for Ottawa Centre (Mr. Cassidy), I am reminded by the Minister of Labour (Mr. Elgie) that we have a distinguished visitor in our gallery, Dr. Emanuele Cimino, the mayor of Pachino, Sicily. Would you welcome him to our gallery?

Applause.

FOOD PRICES

Mr. Cassidy: Mr. Speaker, I have a question of the Premier, arising out of the government's assurances that it would protect consumers against the cost of metric conversion in the stores. On February 28, 1979 this can of evaporated milk was bought in Sudbury. It contains 15 fluid ounces of milk and it cost 46 cents. A week later, the new metric size was brought into Sudbury and this can, containing 13.5 fluid ounces or 385 millilitres was bought, costing 45 cents.

Can the Premier explain why consumers should get 10 per cent less milk and pay only two per cent less in price as a result of the switch to metric sizes in the case of Carnation evaporated milk?

Hon. Mr. Davis: Mr. Speaker, I'm not sure the honourable member's mathematics are totally correct, but the Minister of Consumer and Commercial Relations will be here. I know he has this matter totally under control and that he will be delighted to answer.

Mr. Cassidy: Supplementary: Since with metrication the price per fluid ounce has risen from 3.1 cents per fluid ounce to 3.33 cents in a week—that's an increase of 7.4 per cent—can the Premier say what action the government will take in order to protect consumers against hidden price ripoffs as a result of metrication?

Hon. Mr. Davis: I don't recall the government guaranteeing total protection of the consumer with respect to metrication.

Mr. Warner: We wouldn't expect you to protect the consumer.

Hon. Mr. Davis: But in terms of the interests of the consumer, I think the minister who has responsibility in this field has demonstrated his ability to deal with these issues. He will be here very shortly and I'm sure he will be delighted to debate it with the member.

Mr. Cassidy: Supplementary.

Mr. Speaker: No, a new question. When a minister indicates that the question will be

taken as notice or referred to another minister who is not here, I think it is counterproductive to continue to place supplementary questions that will be addressed by a minister who isn't here.

Mr. Cassidy: If I could have a page, I could send these over to the Premier and he could decide whether he or his Minister of Consumer and Commercial Relations (Mr. Drea) is going to carry the can for rising prices to consumers in Ontario.

Mr. Rotenberg: Who wrote that joke, Michael? He needs a better joke writer.

Hon. Mr. Davis: I really think it is so typical of the leader of the New Democratic Party to send a totally empty can.

It is so typical of everything he does, totally empty.

Mr. Swart: A point of order: When I sent over some full coffee cans to the Minister of Consumer and Commercial Relations in the last session he didn't return them to me.

Hon. Mr. Davis: I assumed they were a gift from the honourable member. How could I refuse?

Mr. Cassidy: The cans are empty. That's because many consumers can only afford to buy empty cans with prices the way they are these days.

KINDERGARTEN CLASSES

Mr. Cassidy: I have a new question of the Minister of Education. In view of the fact this is education week, and in view of the fact 7,500 places in full-day kindergartens across the province are going to be eliminated because of changes in the province's education grants, can the minister state the educational grounds for the government's decision to eliminate its support and bring these full-day kindergartens to an end?

Hon. Miss Stephenson: There are a number of studies which have been carried out on early childhood education in terms of the value of specific educational programs at the junior kindergarten and senior kindergarten level. Unfortunately, the results of all the studies leave one with a somewhat ambivalent feeling that no one is quite sure of the value of the educational program.

It is certainly of value in an area in which an immersion program is established for a language which is not the native language of the child. It is obviously quite possible to continue that kind of supportive immersion program in a half-day kindergarten program, it does not require a full-day kindergarten program to do so.

Faced with the twin problems of decreasing availability of funds for many programs

by governments, and the increased responsibility for attempting to resolve the difficulties of declining enrolment, having looked at all of the studies the decision was made that in 1980 there would be a discontinuation of full-day kindergarten programs.

We looked carefully for arguments to support the continuation of those programs on an educational basis and have found insufficient argument in favour of maintaining the programs.

Mr. Cooke: Why don't you let the school boards make up their own priorities?

Mr. Warner: No respect for the local school boards.

Mr. Cassidy: In view of the fact half of these full-day places are being eliminated in the Ottawa and Carleton school boards; and that the school boards, under the optional arrangements that prevailed until the changes in grants, found there was educational value in many parts of the province for these particular programs, and that this was supported not just by parents but also by a whole ream of educational experts such as Fogelman and Gorbach of London, Dr. Burton Wright of Harvard University, the Windsor Early Identification project and even Dr. Biemiller's study of the Institute of Child Study; can the minister say why the government is not prepared to continue to allow school boards to have the option of providing these full-day kindergarten places where they see it is justified?

Hon. Miss Stephenson: I would invite the honourable leader of the third party to read some of the studies to which he has just referred. Burton L. White—not Wright—and Dr. Biemiller are not in fact as supportive of the concept as he seems to think they are, nor are some of the others who have been so reported, the documentation of which I can bring to this House.

Mr. Sweeney: Is the minister prepared to honour the commitment made by her immediate predecessor last May that those bilingual immersion full-day kindergartens would not be affected by the decision to discontinue the funding for full days? Is she prepared to honour that commitment?

Hon. Miss Stephenson: I did not know there was any such commitment. I shall look at this.

Mr. Sweeney: It is in Hansard.

Hon. Miss Stephenson: Is it in Hansard? I am sorry, I have not seen that.

I recognize the concern which is expressed in terms of the development of immersion programs; and I recognize that immersion programs, particularly in French language

for anglophone children, can be very well supported by the kindergarten process, but it does not require a full-day in kindergarten in order to support it appropriately. The kindergarten program may be delivered in the alternative language, instead of in the language which the child usually speaks at home; that does nothing to detract from the kindergarten program.

Mr. Grande: Supplementary, Mr. Speaker. Will the minister admit that the only reason the full-day kindergarten classes have been discontinued is a financial reason; and will she admit that really there is no evidence, there is no research upon which that regressive decision can otherwise be based?

Hon. Miss Stephenson: No, I would not admit either of those things. Certainly the financial situation has an impact upon the decision, but it was not the only matter considered. I certainly would not admit the last statement of the honourable member, because it's untrue.

GAINS PAYMENTS ERRORS

Hon. Mr. Maeck: Mr. Speaker, I have an answer to a question asked previously. On Friday, April 20, in response to the question asked by the member for Etobicoke (Mr. Philip), I replied that the details were on the Order Paper not very long ago. In fact the answer tabled was regarding a similar question for the Ontario tax credit program, and I want to correct that error.

The member requested details regarding people who have received Gains payments to which they are not entitled. Before addressing this question, I want to explain briefly how the system works.

In order to qualify for Gains, the recipient must qualify for the federal OAS-GIS program with respect to residency and income. The old age security office provides details of the federal payment for the pensioner to my ministry via computer tape. The Gains system then computes the amount of the Gains payment and issues a cheque to the pensioner. In some cases the federal payment is incorrect, creating a Gains overpayment situation, because the Gains program is tied to that information. In most of these cases, the federal authorities forgive the overpayment if the cause of error was not a deliberate attempt to understate outside income. Where the federal authorities forgive the overpayment, it is our policy to also forgive it.

For the period April 1978 to March 1979, the following statistics that the member asked for are available. The number of people

receiving excess Gains payments amounts to 15,500. The amount the ministry is attempting to collect as of April 1, 1979 is \$638,000. The average amount that the ministry is attempting to collect comes to \$248.

The honourable member also asked why a system has not been developed to automatically inform recipients in advance when they should apply for federal benefits and when they will no longer be entitled to full Gains payments. Such a system has existed for some time. Six months prior to the anticipated federal eligibility date, a letter and application kit are mailed to those individuals who are receiving Gains only.

RAINY RIVER PROJECT

Mr. T. P. Reid: I have a question for the Minister of Northern Affairs. Can the minister indicate why the proposal of the Rainy River Ontario Federation of Agriculture unit for a land-clearing and draining project of some three years ago has not yet met with any considerable, concrete program by his ministry or the Ministry of Agriculture and Food; and why, in reply to my question to him by letter, he indicates that it's going to be further studied by another outside consultant?

Hon. Mr. Bernier: I don't think I can add any more to what I put in the letter. We'll have another look at it. I think it's fair to say that we're as anxious as the honourable member is to get some program going in the Rainy River area. There is some concern as to the size and the costs, and a few other items we'd like more information on.

Mr. T. P. Reid: By way of supplementary, in view of the fact that the two studies that have already been done support the contention of the OFA, that there will be hundreds of jobs created and the value of the land and the land available for agriculture will improve and grow, why does the minister want another consultant to look at it instead of starting some kind of program, even slightly modified if necessary, rather than studying the program to death when the results of the other study show it's a viable proposition?

[2:30]

Hon. Mr. Bernier: I think it is fair to say there was some concern with the other report. It is not as thorough as we would like; we just want more information before a final decision is reached.

C.A.T. SCANNERS

Mr. Germa: Mr. Speaker, I have a question for the Minister of Health. Is the minister

aware of a recommendation coming out of a coroner's jury in Sudbury last week? How does he respond to the recommendation that special consideration should be given to supplying Sudbury with a CAT scanner which would better serve northern Ontario residents?

Hon. Mr. Timbrell: Mr. Speaker, a CAT scanner was approved for Sudbury on June 13, 1978.

Mr. Germa: Supplementary, Mr. Speaker: In view of the fact the moneys are not forthcoming in the budget of the Sudbury General Hospital, and in view of the fact the Sudbury Health Council did recommend to the minister some six months ago that consideration be given to funding of the CAT scanner, when can we expect an answer, which has been awaited for some six months now, from the Health ministry?

Hon. Mr. Timbrell: When the scanner was approved it was one of a number. I can't recall the exact number which were approved on the basis that they could go ahead and install the scanners.

As the member knows, the ministry does not put the capital money up front for any of the scanners in the province. When they are approved as part of the budget base, then a depreciation allowance of 20 per cent a year over five years begins. In the meantime most of the hospitals have gone ahead and done this. By being classed as a group "M" hospital in the regulations they are allowed to bill other hospitals which send patients to them. In most cases—well frankly I don't know of any hospital that uses 100 per cent of the available time on its scanner just for its own patients; it will vary from a very high percentage to a lower percentage of work being done for patients of other hospitals, and they could be funding it that way. In several hospitals, and we are reviewing that, until the funding is available the moneys come from the auxiliaries or from their reserves.

GARBAGE STRIKE

Mr. Eaton: Mr. Speaker, a question for the Minister of the Environment: Would the minister please contact the city of London and the union involved in the strike there to see if they could not come to an agreement to cover up that garbage which was left in the landfill site when the strike started? It is becoming a health hazard to residents in that area of Westminster township, who have nothing to do with the strike and have had to put up with the city's garbage for some time.

Hon. Mr. Parrott: Mr. Speaker, I certainly will contact the city. If the garbage was there before the strike was called, I think there's a lot of reason and justification to have it covered. If it was there after the strike, I think it presents some very serious problems, and there is no doubt about that. On the one hand we must consider the validity of the strike action and on the other hand the seriousness of having garbage left in our streets.

Mr. S. Smith: What are you going to do about it?

Hon. Mr. Parrott: I think it may bring its importance to the attention of the members opposite—and they treat it rather lightly on occasion—

Mr. Nixon: We want you to give him an answer.

Hon. Mr. Parrott: When I made the comment, about the day after I was appointed, that the most important thing to worry about in the Ministry of the Environment, was garbage collection and sewage treatment plants I was criticized for not paying attention to the glamour issues. I think one such strike as this—

Mr. Nixon: Nobody understands you.

Hon. Mr. Parrott: My friend who represents a very small portion of the great county of Oxford, and I think the members opposite as well, should recognize how important those services are. They no doubt do, but let's not underestimate that importance. On a day-to-day basis these matters are perhaps among the most important duties of the Ministry of the Environment at this time. I said at this moment I would contact the city relative to the garbage that was there before the strike started. When it comes to worrying about the garbage after the strike started, I am sure the member realizes that is a pretty involved question which he has put to me.

Mr. Eaton: Supplementary, Mr. Speaker: Since the garbage was there before and they can't get in since the strike started, would the minister contact them about the garbage that was there before, before it becomes a health hazard? I am not questioning whether it is.

Hon. Mr. Parrott: The answer to that is yes. I want to draw to the member's attention the second implication, which is rather significant.

COLLECTIVE BARGAINING

Mr. Epp: Mr. Speaker, I have a question of the Attorney General. Since both the Association of Municipalities of Ontario and the Provincial-Municipal Liaison Committee

have requested the Attorney General, or the Solicitor General since he shares both of these portfolios, to bring in an amendment to both the Police Act and the Fire Departments Act regarding collective bargaining, is the minister now prepared to bring forth that legislation?

Hon. Mr. McMurtry: No.

Mr. Bradley: You must be taking lessons from Darcy McKeough, giving a no like that.

Mr. Roy: You are not going to make the same mistake as the member for Humber (Mr. MacBeth) did.

Mr. Epp: I have a supplementary. In view of the fact both these organizations, representing 835 municipalities across the province, have asked for this legislation, which is very important legislation, does he anticipate bringing it forth later on in this session?

Hon. Mr. McMurtry: No. There have been ongoing discussions in the area of arbitration, and I think there is some misunderstanding, on the part of some of the municipalities at least, as to what can be accomplished by this. We will continue to discuss the matter, both in relation to firemen's arbitrations and with respect to police arbitrations, but we certainly won't have progressed sufficiently far to bring in legislation this spring.

PROPERTY TAXATION

Mr. Isaacs: Mr. Speaker, I have a question of the Minister of Intergovernmental Affairs with regard to the problems which have arisen in the city of Hamilton as a result of the assessment equalization program that has been implemented there. Can the minister assure this House that the solutions he is presently considering are something more than a postponement of the unfair tax increases which are being experienced by a number of home owners in that city?

Can the minister also assure this House that he will do something, so that municipalities like Stoney Creek can do something to straighten out unfair tax situations which exist in those municipalities without getting into the problems that have arisen in the city of Hamilton?

Hon. Mr. Maeck: You want it both ways.

Mr. Ruston: Call the mayor. Consult the former candidate.

Hon. Mr. Wells: Mr. Speaker, I presume that my friend means by "unfair tax situations" that the over 50 per cent who had their assessment reduced, and thus their taxes reduced this year are also being unfairly treated.

Mr. Bradley: He doesn't mean them.

Mr. Laughren: It's an unfair system. It's a joke.

Hon. Mr. Wells: As he realizes, there are changes. Because of the section 86 reassessment, the majority of the people had their assessments lowered and their taxes will ultimately be reduced.

Mr. S. Smith: If it is so good, why didn't you do it?

Hon. Mr. Wells: Some of them had them increased. That is part of the equitable process that comes about through a section 86 reassessment. If there are inequities created by that reassessment, there is presently a section in the Municipal Act, section 505, which the municipality may apply to us to have put into force, and which we would gladly agree to if the city of Hamilton wishes to use it, which would allow them to phase it in over five years, either the winners or the losers; or if they wish, they can just phase in those whose taxes will be increased and raise the other revenue necessary from the general tax base. That provision already rests within the Municipal Act.

The member also knows that the mayor of Hamilton has approached us and asked us if we would give any additional money to assist in that particular process. We are going to get an answer back to him; but I draw to the member's attention that the provision is already—

Mrs. Campbell: What is the answer?

Mr. Breithaupt: The answer is no.

Hon. Mr. Wells: —there for them to take and to put into effect a phasing-in mechanism that is there, Hamilton can do it and we would gladly give them permission to do it.

Mr. Isaacs: Supplementary: The minister is surely aware that the provisions that exist in the Municipal Act for the municipalities to take action are no more fair than is the whole process of assessment equalization.

Mr. Rotenberg: Where were you when Hamilton asked for one?

Mr. Isaacs: I would like to ask the minister when the provincial government is going to come to grips with the whole problem of property tax reform as it affects citizens throughout the province of Ontario.

Hon. Mr. Davis: Talk to your neighbours.

Hon. Mr. Wells: If my friend thinks the provision of property tax reassessment under section 86 is unfair, let him ask his colleagues in that party who were on Hamilton city council and who voted in favour of asking us to make that reassessment why they voted in favour of it.

RAPE CASES

Mr. Stong: Mr. Speaker, I have a question of the Attorney General. Now that his ministry has revived what is affectionately termed by his assistant crown attorneys as "the rape squad," is he going to insist that a member of the rape crisis centre be present when his crown attorney is interviewing the victim and preparing himself for trial, or is he going to leave that decision to the discretion of that crown counsel?

Hon. Mr. McMurtry: I think that should be properly left to the discretion of the individual crown counsel. Certainly, I do not know what the honourable member means when he states that something has been revived. I think it was over two years ago that I encouraged crown counsel to maintain a close working relationship with rape crisis centres, particularly in Metropolitan Toronto, because of the very valuable work that was done by the people in these centres, and in the appropriate case involve them. But again, I think it would be most unwise to attempt to lay down any rigid guidelines as to when they should be involved. That really should be left to the discretion of the individual crown.

TUITION FEES

Mr. Cooke: Mr. Speaker, I have a question of the Minister of Education. I would like to ask the minister if she is aware of a memo that was sent out on January 19, from E. L. Kerridge, that indicated a change in policy of the Ministry of Education to the effect that college students would now be charged for a third term in their tuition? Does this represent government policy or has it been changed?

Hon. Miss Stephenson: Mr. Speaker, there is also a memo, that went out approximately a week or 10 days later, which in fact corrected that situation totally.

Mr. Cooke: Could the minister then justify the fact that at Mohawk College, in Hamilton, they have decided to implement the third term charge, and that the fee for a nursing student has gone up from \$425 a year to \$599 a year, an increase of \$174 for a second year student? Would the minister check that out; and could she also indicate why the first memo went out and why another memo had to follow to change the policy? Was she aware of both memos; and did she originally approve it and then change her mind?

Hon. Miss Stephenson: Mr. Speaker, the first memo was an error and it was corrected. I am not aware that any college had decided

to pursue the direction of the first memo after the second went out. I shall investigate and report to the House.

FRENCH LANGUAGE SERVICES

Mr. Roy: Mr. Speaker, I have a question of the Minister of Health. Would the Minister of Health confirm that cabinet, on his initiative, has approved a new policy for French-language health services in this province? If he confirms that is so, could he give us a brief outline of what that policy is?

Hon. Mr. Timbrell: Mr. Speaker, our policies are very much in line with and in tune with overall government policies about identifying bilingual staff and making most effective use of them, about bilingualizing all of our forms and information as it comes up for renewal and reprinting.

[2:45]

We have discussed with a number of the health councils in areas where there is a concentration of francophone population whether there are any particular needs in that area. Members of my staff have been talking with the University of Ottawa, Algonquin College and various secondary and post-secondary institutions in the north as to what can be done to encourage more francophone youth to enter the health professions. Clearly, in the report *Pas de Problème?* essentially what it came down to was the question of access to bilingual staff. There we have been, through my very capable co-ordinator M. Leblanc, working to see what we can do to encourage more young francophones to enter the profession. We think that is ultimately the answer to any concerns about access to service on a bilingual basis.

That is essentially the direction we are following. It is one we have discussed in this chamber before. We have discussed it at estimates and with representatives of the francophone community.

Mr. Roy: Supplementary: In view of the fact that from the outline the minister has given this is a very worthwhile policy, one we should be very proud of in Ontario, why wouldn't the minister publicize this to advise the population of Ontario that these services will come on line and that they will be available? As the Minister of Health knows, as a minister of this government, very often one of the problems is that the public is not aware that the services exist.

Secondly, isn't it important in the overall context of Confederation, and something we should be proud of in Ontario? Why wouldn't the minister brag about that sort of thing and give it publicity?

Hon. Mr. Timbrell: I think we have, in fact, done that. Certainly, when M. Leblanc has been travelling around the province he has been interviewed at some length by media of all kinds.

Mr. Roy: He won't get the press that you will.

Hon. Mr. Timbrell: I freely admit that my French, while it is improving, is still not as good as his. Certainly, wherever the question is raised we do outline, just as I have done today, the efforts that we are undertaking. We are very proud of that. There is undoubtedly more that can be done in the future, but we think that is a good sound base on which to work and from which to work in the future.

Mr. Roy: You should not be so subtle.

Hon. Mr. Timbrell: I have never been accused of that.

Mr. Wildman: Supplementary: Could the minister indicate how the problem of providing people who are fluent in French as medical staff for the north contributes to the overall shortage we now have of doctors in the north, which amounts to about 52 vacancies unfilled?

Hon. Mr. Timbrell: As the honourable member will know from correspondence that he and I have had, as well as the general information he has no doubt seen about the underserved-area program, we have launched a number of new initiatives to try to fill the vacancies, both in the medical and the dental sides, of the underserved-area program.

Where we have a community with a significant concentration of francophones, then we do as part of our recruitment try to ensure that the people we put in there are bilingual. Obviously, that is most important.

GARBAGE DUMPING

Mr. Eaton: I have a question of the Solicitor General. In view of the number of incidents of garbage being dumped on the roads in Middlesex county over the weekend, would the Solicitor General please instruct the OPP in the area to see that charges are laid against people from the city of London caught dumping garbage in rural Middlesex county?

Hon. Mr. McMurtry: I would be quite happy, Mr. Speaker, to convey the concern of the honourable member to the Ontario Provincial Police.

TRANSIT BARGAINING

Mr. Renwick: Mr. Speaker, I have a question for the Premier. The Premier is no doubt

aware of the open letter addressed to him by Local 113 of the Amalgamated Transit Union, as that union is now entering into negotiations for its July 1, 1979, contract. Is it the intention of his government to honour the collective bargaining process and permit that process to go through to if necessary, a strike, or does he intend to introduce legislation providing now for compulsory arbitration either for the TTC union or for transit workers generally?

Hon. Mr. Davis: Mr. Speaker, I think it is fair to state that we are not contemplating the introduction of legislation. It is our hope that the collective bargaining process will proceed and that there will be an agreed-upon settlement.

An hon. member: If it doesn't?

Hon. Mr. Davis: I do not speculate on what happens if it does not proceed; that's a supplementary question from the honourable member's colleague.

I would remind the honourable member, though, that at least we are consistent on this side of the House. We do not go out in the midst of by-elections, like members of his party, saying, "You're going to have to pay a little more for your fares" and "The government is doing this to you," when three months earlier they had prohibited those same people from having access to the transit system. Whatever we do, we will endeavour to be consistent.

Mr. Renwick: By way of a supplementary question—ignoring the so-called inconsistency, which is not an inconsistency from my point of view—does the Premier recognize that the course of conduct of his government towards that union has been such as to subvert the free collective bargaining process?

Hon. Mr. Davis: I understand the disagreement of the honourable member for Riverdale with my pointing out the inconsistency in his party's approach to these things. I am not going to debate that with him today.

Mr. M. Davidson: Just answer the question.

Hon. Mr. Davis: I have already answered the question. We are not contemplating any legislation. We hope the collective bargaining process will work. I also make it clear that all of us in this House at some point in time have a responsibility to solve problems where a lot of people are affected, or even sometimes small numbers of people are affected. That does not mean there is going to be a problem.

I appreciate the open letter. Actually I have had some informal conversation. We do not plan legislation. I am very hopeful the

system will work and that they will reach a settlement some time after the due date.

PATIENT'S TRIP

Mr. Sweeney: A question to the Minister of Health, Mr. Speaker: Could the minister explain why an 84-year-old man, who had just had a pacemaker implanted at the Kitchener General Hospital, would have to be taken by ambulance back to Walkerton—first of all to London, then to Wingham, then to Walkerton—a trip of four and a half hours, when normally it would be a trip of one and a half hours?

Hon. Mr. Timbrell: I did not look after that patient myself, Mr. Speaker. Clearly there would be more information involved than what the honourable member has told me. If he will be good enough to give me the patient's name, whether he was in Kitchener-Waterloo Hospital, St. Mary's General Hospital, or wherever it was done, and the date, I will be glad to check into the matter and see what the problem was. I would ask that he send me the patient's name; I do not like to drag people's names through the public record.

SEPARATION OF COUPLE

Mr. Swart: Mr. Speaker, my question is also to the Minister of Health. Is the minister aware of the case of Mr. Roy Misner of Welland, a First World War veteran, and his wife, Violet, married for 59 years, who have been forced to be separated for four years because she has been confined to a chronic care unit in the hospital and he has been in a nursing home? Does the minister know that the administrator at the hospital would be quite prepared, and would have been prepared, to have the husband there if there were a bed available?

I want to ask the minister, is his health system such that he cannot enable couples of this kind, who are in long-term care of similar types, to be together instead of in forced, cruel separation?

Hon. Mr. Timbrell: First of all, Mr. Speaker, I am sure the honourable member would agree that patients in need of care should be accommodated in facilities that are most appropriate to the level of their needs. In this particular case, one of the individuals requires simple residential care in a home for the aged, I understand, and the other requires hospital care because of a chronic ailment.

My staff did check into the situation this morning. I couldn't help but be aware of it.

I'm advised by my staff that in fact the home for the aged does have a vehicle that has been used from time to time to take the gentleman to visit his wife. The advice of my staff this morning was to this point there have not been any indications given to the administrator of the home for the aged or to the hospital that this was a problem.

I understand there are three or four daughters who live in the environs and there will be a meeting tomorrow with the family to see if something can be done on a regular basis to see this couple do keep in touch.

Mr. Swart: Supplementary, Mr. Speaker: Might I ask if the minister is not aware this couple were told when they were separated that it was inevitable in their case? Would he not agree this husband could get adequate care within the chronic care unit if there were a bed available? He wouldn't actually need the care; he would just need a bed in the chronic care unit. Is he not aware this is not an isolated case, that there are many of these cases across this province?

Would the minister table in the House the number of couples in long-term care who are forcefully separated in this way? What instructions has he given to the various hospital and nursing care units to endeavour to keep couples like this together?

Hon. Mr. Timbrell: Mr. Speaker, the fact that in this case we have one individual in a hospital and the other in a home for the aged is really no different from having one individual still at home and the other in some kind of institution.

Mr. Swart: Or if one were dead, I suppose.

Hon. Mr. Timbrell: Mr. Speaker, the problem is the same. The problem is the same, whether both are institutionalized or just one is.

What I'm telling the member is that in this particular case the reports are incomplete. I am advised there have been visits, using the vehicle from the home for the aged to transport the gentleman in question, and there have not been any complaints registered with the administration of either facility about this.

The family is meeting with them tomorrow to see what can be done on a regular basis. It is obviously expected the institutions will do as much as possible to keep people activated, whether their conditions are such they become disoriented at times, or not. We also expect families to continue to carry out their responsibilities. I'm not being critical in this case, I'm just answering the member's question about the general situation in the province.

It is most important that children of whatever age and capacity do whatever they can to assist in keeping spouses in touch with one another and maintain the family unit, in spite of the fact some will, from time to time, require hospitalization or institutionalization.

ACCIDENT CLAIMS FUND

Mrs. Campbell: My question is to the Attorney General. Yesterday we had some discussion about the use of outside counsel to select committees. Could the Attorney General advise us as to why we use outside counsel in matters dealing with the unsatisfied judgement fund? Has he, up to this time, discussed with the Law Society of Upper Canada why accused in these cases are denied legal aid because there are lawyers acting for the fund who refuse to act—and quite properly—on behalf of the accused?

Hon. Mr. McMurtry: Mr. Speaker, I assume we're talking about the motor vehicle accident fund and defendants in civil actions, not accused persons.

Mrs. Campbell: Oh, no, in criminal actions as well.

Hon. Mr. McMurtry: I don't understand the question. It may have been the policy of the law society.

In view of the fact the Motor Vehicle Accident Claims Fund, as the member knows, is administered by the Ministry of Consumer and Commercial Relations, uninsured defendants take advantage of the skilled counsel retained by that ministry to act on behalf of uninsured motorists. It would only duplicate the cost to the public purse to have the Motor Vehicle Accident Claims Fund represented by counsel who is protecting the taxpayers' interests, and having the same interests represented by yet another counsel acting on behalf of the uninsured motorist, when the money invariably comes out of the same pot.

[3:00]

I can't be certain but I think the policy of the law society with respect to the administration of the legal aid plan is to encourage defendants in that position to utilize the counsel who are appointed.

With respect to utilization of counsel in the private sector, as the member for St. George knows I think, there is a large volume of cases. Many of them are outside Toronto and it would necessitate establishing government offices outside Toronto in relation to counsel who are retained to represent the fund in lawsuits that are outside

the judicial district of York. We just don't have government counsel in those locations. The only government counsel we have are crown attorneys, of course, whose work is limited to that of criminal counsel work.

In relation to the city of Toronto, there is a fairly high volume and it has been the practice to utilize private sector lawyers who have specialized in this type of work and who are familiar with motor vehicle accident claims and personal injury cases. I think the public interest is being well served by that practice considering the alternative would be to increase the number of government lawyers considerably. We don't have the legal resources within the government at the present time.

Mrs. Campbell: Supplementary: With reference to the answer given, has the Attorney General forgotten that I brought this matter to his attention some time ago? In discussion with the office of Mr. McMurtry, who handles many of these cases, it took the position that it was not that office's function to act in any way on behalf of those involved, either as defendants or as accused, as a result of a motor vehicle accident. Thus, those people never have their case properly tried in the courts. Settlements are made by these outside counsel without any reference to the defendant in the matter at all.

Mr. Roy: He forgot a lot when he was in India.

Hon. Mr. McMurtry: I think the member is a little confused as to the process—I really do. First of all, one has to keep the civil action and the criminal action separate. They're often two unrelated issues.

Mrs. Campbell: Exactly.

Hon. Mr. McMurtry: I think the member for St. George should be reminded that it involves only the individual who is served with a writ of summons in a civil case who decides not to retain counsel. It's only at the point when there is a default of appearance that in order to avoid the judgement going by default the Motor Vehicle Accident Claims Fund administrators appoint counsel to protect the public interest. I really think, with all due respect, the member for St. George is a little confused.

Interjections.

Hon. Mr. McMurtry: The Ministry of the Attorney General's estimates will be proceeding in the relatively near future, I believe, and I'm sure this is something we will again be able to discuss.

INTRODUCTION OF BILLS

PUBLIC HEALTH AMENDMENT ACT

Mr. Gaunt moved first reading of Bill 67, An Act to amend the Public Health Act.

Motion agreed to.

Mr. Gaunt: Mr. Speaker, the purpose of this bill is very simple. It prohibits the sale of smoke detectors which contain radioactive isotopes.

LOCAL ROADS BOARDS AMENDMENT ACT

Mr. Wildman moved first reading of Bill 68, An Act to amend the Local Roads Boards Act.

Motion agreed to.

Mr. Wildman: Mr. Speaker, the purpose of the amendment is to authorize a local roads board to erect and maintain traffic signs in the local roads area that could be enforced under the Highway Traffic Act.

Mr. Swart: That's a sensible bill. Why didn't you people over there think of that?

PROGRAM COST DISCLOSURE ACT

Mr. Van Horne moved first reading of Bill 69, the Program Cost Disclosure Act, 1979.

Motion agreed to.

Mr. Van Horne: The purpose of this bill is to provide for the public disclosure of the cost information upon which decisions to undertake certain government programs are based and the economic impact of these proposed government programs. The bill requires that the estimated total cost of each program be disclosed and provides for additional scrutiny of program operations if the estimated total cost is exceeded.

ANSWERS TO QUESTIONS ON ORDER PAPER

Hon. Mr. Welch: I would like to table the answers to questions 17, 43, 49, 51, 52, 73, 77, 78, 79 and 80 standing on the Notice Paper, as well as the interim answer to question 137 standing on the Notice Paper. (See appendix, page 1270.)

ORDERS OF THE DAY

MINISTRY OF INDUSTRY AND TOURISM AMENDMENT ACT

Hon. Mr. Welch, on behalf of Hon. Mr. Grossman, moved second reading of Bill 41, An Act to amend the Ministry of Industry and Tourism Act.

Mr. Hall: I would have appreciated it if the House leader could have organized things so that the minister was here to comment on

the legislation. I don't intend to explain his bill for him. Until such time as he comes, I will reserve my time.

Mr. Laughren: Here he comes a lean and hungry minister.

Hon. Mr. Grossman: I have no opening statement. I would thank the person who moved it on my behalf.

Mr. Hall: Did the minister say he doesn't intend to make an explanatory statement?

Mr. Speaker: That is what he said.

Mr. Hall: I don't think that is very co-operative of the minister.

Hon. Mr. Grossman: There is nothing more to add than the explanatory note. It is just that simple. I would be pleased to expand after I have heard what concerns members may have turned up or discovered. I just don't think there is anything to add to the explanatory note. That is everything there is.

Mr. Hall: Perhaps the minister will correct me if I am wrong on certain understandings which have been given to me as to why the bill is necessary and we will proceed in that manner.

It seems sensible, of course, to have an understanding with regard to personnel hired by the ministry in other countries and in other provinces in terms of their role as crown employees or not crown employees. To the extent that I am given to understand the auditor felt this step was necessary, it makes sense to me. I hope people like Mr. Shore, a former member of the House, are not necessarily given any special treatment as a result of this. I would be somewhat concerned if that were the case.

With regard to section 5(a) allowing the minister to enter into contracts and agreements and also authorizing him to delegate his powers to deputy ministers and officers of his administration, I am given to understand that the Ministry of Industry and Tourism was one of the last of the government ministries to have this power added. If the minister will satisfy the House that indeed that is the case, that sounds sensible.

[3:15]

I would express concern that the minister not delegate powers for the spending of money, such as the Economic Development Fund, and I'm assured that, indeed, he does not have that authority. Again, therefore, I'm satisfied as long as they're bringing the administrative methodology of this ministry up to and in line with the other ministries of the government. I ask the minister to reassure me on these points, which are my concerns at the present time.

Mr. di Santo: This is a very simple bill, as the minister said, and I don't think it requires lengthy comment. It is normal practice that employees in other countries do not become, for practical purposes, employees of the crown. In relation to the second part, as it was pointed out, it was the previous minister who introduced the power for the minister to delegate the signature to the deputy minister or to other officials of his ministry. I think that this is also normal practice and it should have been included when the act was introduced in 1972. For these reasons we agree with the bill.

Mr. Nixon: I certainly agree wholeheartedly with the views expressed by my colleague the member for Lincoln in support of the principle of this bill. However, I did not want to let the occasion go by without expressing a personal view on the growing practice of the government of Ontario to have offices and staff spread around the world in countries with which we do business.

This is a personal view, but I've always felt that in a confederation such as Canada it's a shame we cannot rely to a greater extent on the efficacy of the employees of the federal government to represent Ontario and Alberta, Nova Scotia and Quebec, without differentiation. That is industrial producers and agricultural producers of Canada. Once the various provinces feel it is incumbent upon them to have separate staffs representing their interests in these various countries, I personally feel that there is some argument that this is needlessly expensive.

I know the argument has been put forward here for years and I think Bob Macaulay, in one of his former incarnations around here, put it very strongly. Even in those days they were attacking the federal government. It was Conservative at that time and it didn't seem to be doing all of the things that the provincial government expected. But, really, pressure could be exerted by this government for the trade officers, tourist offices and various representatives of the government of Canada to do that job for us. If we're in competition with the province of Quebec as far as canned tomatoes are concerned, or if we're in competition with France in selling our Niagara Peninsula wines in Paris, for example, it may be that we would not be entirely satisfied with the role that the government of Canada would be taking. Rather than simply establishing our own edifices with the expensive trappings and the additional facilities in order to entertain visiting cabinet ministers and all that baloney, I really do

think it should be considered a needless duplication and an unnecessary expense.

I'm even concerned from time to time about Ontario House although it has a long and famous tradition. In some respects it sort of fits into the establishment of independent watering holes for touring cabinet ministers. It concerns me a little. I have wanted to express this view and I intend to do so because over the years I've seen the government of Ontario start up these various offices, these various employee requirements and the practice grown larger and larger. I wish we were in a position to rely on the facilities provided by the government of Canada for all of Canada. Frankly, I believe we could.

Hon. Mr. Grossman: Mr. Speaker, the bill is the rather housekeeping, last-ministry-to-do-it situation the members have referred to, and could well have been introduced at an earlier time. I just heard the remarks of the member for Lincoln with regard to the EDF and I would confirm the cheques in essence out of EDF will be written by the Treasurer (Mr. F. S. Miller), not by me or my ministry. Therefore this is really a bill which gives us some more flexibility and makes the running of our foreign offices particularly more reasonable, less expensive and administratively a heck of a lot easier.

Having mentioned the foreign offices, I should refer to the member for Brant-Oxford-Norfolk who no doubt has visited and been entertained in some of these foreign offices. May I say that we have conducted and are still conducting an extensive review of each of those offices. I happen to share some of his concerns although many of the concerns I had have been satisfied. I should point out too that we now have fewer offices than we have ever had. It isn't an ever-increasing practice of the government.

Mr. Nixon: The budget is increasing.

Hon. Mr. Grossman: The ministry has closed in recent years only three I can think of offhand. At the same time, other provinces are dramatically increasing their representation.

Mr. Nixon: That's a shame.

Hon. Mr. Grossman: That is something we just have to be aware of. Having visited some of the offices, I can say there is a concern that a federal government office, if we relied upon it, would be subject to budgetary constraints from time to time which could rather dramatically affect our position and other provinces in various markets. Of course the offices which would be important to Ontario

might be different offices, and often are, than would be important, say, to British Columbia.

Mr. Nixon: Would the minister permit a question?

Hon. Mr. Grossman: Oh, sure.

Mr. Deputy Speaker: As long as it is in order.

Mr. Nixon: Would it not be possible under these circumstances for the provincial minister from Ontario to negotiate with the federal authorities to assist, by way of money voted here, to have employees and even space in that other facility?

Hon. Mr. Grossman: That is not a bad suggestion; it is one we talked about with them and it wasn't a new idea we had. One of the concerns in that regard is that you might find a situation where the federal government is running a reasonably-sized office and the provinces want to piggyback on them. If they rent space in them, add staff to them or whatever then you find almost invariably 10 provinces, whether they truly need it or not, would be piggybacking on an office which essentially had three federal government people in it. It would end up with 13 because each province would add their representatives.

I don't know if that's an irresolvable concern but it is one that quite frankly we weren't able to adequately answer for the federal government. Obviously I can't speak for the other provinces and I would suspect that some provinces would find that a very attractive proposition.

In any case I just want to take this opportunity to assure the member that we are aware of those concerns and we share some of them. But we now have offices remaining only in those areas where we think they are making an important contribution and really adding quite a great deal to the efforts of the federal government. I think members will also find, not surprisingly, the federal government is happy to have our offices in those locations because they dramatically supplement the work they are doing.

We have reviewed that. I am rather satisfied with the numbers of offices we have now although we are continuing to look at them. One of the things I think we should be willing to do as a ministry is to close offices and open others in accordance with changes in the market out there. In other words where the action is is where you want to be, and that changes from time to time.

Mr. Eakins: Staff them with some of your own people within your own ministry.

Hon. Mr. Grossman: The member for Victoria-Haliburton suggested we ought to

staff them with people from our own offices. In fact, that is something we have just done. I don't see the member for Kitchener (Mr. Breithaupt) here, but we have just moved our very excellent man from the Kitchener office, Bob Halfnight, to our Frankfurt office. There is a whole series of changes. Dave Rodgers, who was formerly the general manager of the Ontario Development Corporation, is going to take over our New York office. One of our other directors has just moved to take over our Los Angeles office.

This is one of the things we think is a very important new development because it means the foreign offices will have much better contact with the programs we are offering here and the municipalities here. They will be much better plugged into the main resources of the ministry and the delivery capabilities of the ministry and the municipalities from which they have come. I might add it is also important, we think, that those offices be seen as part of the main industry programs and as part of the operation of getting experience and moving up the ladder in our ministry.

Motion agreed to.

Third reading also agreed to on motion.

LABOUR RELATIONS AMENDMENT ACT

Hon. Mr. Elgie moved second reading of Bill 25, An Act to amend the Labour Relations Act.

Hon. Mr. Elgie: Mr. Speaker, I reviewed my own views about the problems Bill 25 addresses in a statement some three or four weeks ago. I don't see any need at this time to elaborate in any great detail.

The members well know that more than a year of discussion before the Kelly commission followed up by input from the people who were interested in the bill led us to the conclusion there were several areas in the grievance arbitration procedure in this province that needed addressing. There were problems with regard to the length of time it was taking to get the arbitration process in full swing and a final decision reached with regard to the cost and with regard to a certain amount of excess legalistic involvement and complication.

We have endeavoured to seek the best of all systems. We have tried to preserve in this bill that very important sector of arbitrators in the private sector who have over the years built up a great experience and a great knowledge and have contributed greatly to the system. We have tried to preserve that in this bill, so they will remain available to provide a service so well provided in the past.

We have also set up in the bill an expedited procedure for the parties, should the procedure under which they are operating in a collective agreement not be proceeding as expeditiously as one of the parties may deem advisable.

I want to make it clear this does not in any way suggest that if parties agree in a collective bargaining situation upon a grievance procedure they are not free to continue with that grievance procedure. All this bill does is provide an option to one of the parties to opt out of a procedure, which to their mind is not proceeding in an expeditious way. We see this as an important bill and a bill that can remove unnecessary matters from the bargaining table and remove friction from the work place. I would like members to support it.

Mr. Van Horne: Mr. Speaker, speaking on behalf of the members of our caucus, I would submit that generally we are in favour of this piece of legislation. We do, however, have a couple of suggestions for amendment, which we will get to in due course.

[3:30]

I would say in my particular situation that this role is relatively new to me. I have had to reach out and get opinions for my background and also information that I might be able to pass on to our caucus. I have talked with a variety of people, including the chamber of commerce, the Ontario Federation of Labour, the Canadian Manufacturers' Association, the Canadian Bar Association, the Ontario Labour Management Arbitrators Association, the Toronto Board of Trade and some faculty members at the University of Toronto law school.

In that group I have listed I think there is a considerable divergence of opinion. Certainly the academics, on the one hand, feel there should not be any interference in the process of collective bargaining and that any further intrusion from the government is of itself bad. I am not sure I perceive the bill to be an intrusion that is bad, but it is another dimension to the process and one which bears at least some further discussion. I would not like to see us summarily agree and dismiss the bill within a matter of just a few moments.

I will speak to the amendments we have to make at the proper time. Suffice it to say that in general terms we are supportive of this, although I have been told by my colleagues on my left in the third party that it would seem that the intent of one of the amendments would be to destroy the principle of the bill. That certainly is not our wish.

Mr. Mackenzie: Mr. Speaker, we welcome the introduction of Bill 25 into the House. It has been a long time coming. We welcome the fact that some of the recommendations in the Kelly commission report have been set aside, which is where they belong. We think it is important that this bill come up as soon as possible in the House. We would have gone all the way to section 112(a), were we introducing the bill, and provided for whatever costs might be involved in the kind of arbitration staff that was needed. We feel that the proof is in the fast action and relatively satisfactory service that has been achieved in the construction union area. We would like to see an agreement within the bill that would allow the single arbitrator make an immediate verbal decision where both parties agree. That certainly would be an aim of ours.

Beyond that point, we would be willing to support this bill and we do urge the minister to bring it in as quickly as possible. There has been an awfully long delay at tremendous cost in terms of obtaining justice on behalf of workers who are forced to go the grievance and arbitration route. Costs of \$700 to \$900 a day, plus some other expenses, are now common. The time limits run into hundreds of days. This kind of justice delayed is in many cases justice denied. We feel that while we would have gone a little different route, the bill as set out by the minister is an honest attempt to come to grips with what has been a long-standing problem in the labour relations field. We would urge the minister to proceed as early as possible with the bill as presented to the House.

Mr. Nixon: Mr. Speaker, I hope you will bear with me. I want to speak to the principle of the bill, but it refers to a specific matter upon which the principle may impinge. It is a matter I brought to the minister's attention by letter some weeks ago, which had to do with the arbitration proceedings. The minister may recall the circumstances at the Massey-Ferguson plant in Brantford where the management dismissed, I believe, five employees for trafficking in drugs on the company's property.

The employees had been charged with the offence after a considerable investigation. The union grieved on behalf of one employee. The upshot of the whole situation was that, although these men had been found guilty of trafficking on company property and of course in work time, the company was forced to reinstate the individuals concerned, because a section in the collective agreement was that unless disciplinary action was taken

within three days of the company management becoming aware of the situation, it was a breach of the contract if any disciplinary action was taken after that.

The process went through arbitration and to the courts, and I am not here to question the decision at either level, other than to say that we are the authors of the laws controlling these matters. We are amending the law right now. In my opinion, a circumstance which could work out this way indicates there is at least a weakness in the law.

I have been informed by the minister, very properly, that a collective agreement is binding, as it must be. But in this bill we are giving certain powers to the arbitrator to cover matters of the type I have described. My own feeling, and I certainly don't reflect the view of everyone in the constituency, is that when employees are found guilty of a serious matter such as this, surely it ought to be within the competence of management to endeavour to get along without their services; that is, to fire them.

The individuals concerned, under the provisions of the collective bargaining agreement were reinstated—

Mr. Wildman: Isn't that double jeopardy?

Mr. Nixon: My honourable friend interjects, isn't that double jeopardy? Maybe it is double jeopardy, but why should management have to employ somebody who is found guilty of trafficking in drugs on the management property? It doesn't make sense to me. I have had at least some discussion with the minister in which I think his views were very moderate and indicated that there was some concern. He didn't express his own view, but I wanted to express my concern.

A good many of my constituents are employed by this company; it is a very large company, indeed. It seems to me that the law in this regard has a weakness that concerns me. Since we are dealing with the bill in principle, I simply wanted to express these views to the minister.

Mr. Deputy Speaker: Does any other honourable member wish to participate in the debate? If not, the honourable minister.

Hon. Mr. Elgie: I thank members for their comments. I would like, if I may, to refer the bill to committee of the whole House.

Motion agreed to.

Ordered for committee of the whole House.

INCOME TAX AMENDMENT ACT

Hon. Mr. Welch, on behalf of Hon. Mr. Macock, moved second reading of Bill 53, An Act to amend the Income Tax Act.

Mr. Deputy Speaker: Does the member for Brock have an opening statement?

Hon. Mr. Welch: No, I just pay my tax quite willingly and cheerfully, Mr. Speaker.

Mr. Nixon: This bill has been before us in almost identical form for a number of years, establishing our share of the income tax pie. I notice that the former Honourable John MacBeth—I guess he is still honourable; but he is no longer in the cabinet—has a private member's resolution before the House which calls for a rather dramatic change in the financing arrangements among the three levels of government.

Most people—and these are the very days when it concerns them—when they fill out their personal income tax return and send it away with a cheque to Ottawa, or perhaps even with a request for a refund, think entirely of the income tax as being a federal tax. I suppose in that sense it is, since we have an agreement, and a long-standing agreement, with the government of Canada to collect the tax for us. We use the structure and administration of government federally to collect the money for us and this is rebated to the provincial Treasurer on a regular basis. It seems to be a good arrangement.

There are a number of things wrong with it, I suppose, but the most important is it means people are paying the tax with the largest effect on the individual's pocketbook to one level of government, the federal government, and then a large section of that comes back to the government of Ontario. It's almost like having a rich uncle who is in a position to finance your requirements, your programs, and your activities.

I used to find this very difficult to bear when the present Premier (Mr. Davis), then Minister of Education, used to go around opening these William G. Davis schools. I felt he was building these fine schools at a time when the system was expanding with money that really the provincial government had not had the responsibility to collect in the real sense.

By passing this one-line statute we accept the responsibility for collecting the tax here in this Legislature, and in that sense, it is a provincial tax. In the minds of the citizens it is a federal tax, and for that reason I feel, although the agreement saves us money and is efficient, there's no doubt about that, still it is in some regards misleading to the tax-

payers for the reasons I have attempted to outline in a rather clumsy way.

The other part of this statute that concerns me is we are told repeatedly, and I think the Treasurer said it very recently, that we have the second lowest level of personal income taxation in Canada. That's true until you take into consideration the fact we also have OHIP premiums paid directly by many of our citizens. The revenue from the OHIP premiums is a very substantial amount of money, \$2 billion. It's a very substantial amount of money which really should be considered as a part of the personal income tax.

A good many people, I suppose including ourselves, subconsciously think the services of OHIP are provided free.

Mr. Wildman: It's not an income tax, it's a health sales tax.

Mr. Nixon: All right, you can give it whatever name you want. When the Treasurer says we have such a low level of personal income taxation he should at the same time, to be fair—and I don't see why he doesn't always do this—say in the same breath that of course we have a very high OHIP premium. This is not the case in many of the other jurisdictions.

The third point I want to make, and I guess it's the last one, is my concern with the levels of income tax across Canada. One of the most divisive influences I feel as a Canadian, one of those strong feelings I get is when I look at what is happening in the province of Alberta. You may have noticed a very large ad for that province in the *Globe and Mail* this morning. In banner letters across the top it says, "the province of opportunity." It kind of makes your heart contract a little bit to realize that no longer applies to the province of Ontario. Certainly the honourable House leader remembers when that was a banner nailed to the mast and when many advertisements were paid for with tax funds bringing to the attention of the unwary taxpayers in this province that we were the province of opportunity and we had many places to stand and even some to grow.

We don't hear too much about that now, particularly since Alberta's income tax is substantially lower than ours. They don't have any fuel tax. They have recently paid off all of their municipal debt. That's only the beginning of the list of advantages. When you think of how these differences in tax levels are driving wedges between and among our provinces, I personally find it regrettable.

I suppose many of the provincial electorate, in the federal sense, are hanging on my every word. I should say I blame not only Alberta

for this. After all, they find themselves hip deep in oil dollars, so why should they not try to keep them all to themselves? But I do feel the concept of a strong central government—which already is used to equalize the impact of these costs and the advantages of these revenues—might be carried at least a small step or two further to the advantage and benefit of all Canadians.

[3:45]

There will be another occasion—perhaps some time in the next month or two—when we can discuss this matter, when we get around to debating the resolution on national unity, when it comes forward.

Mr. Charlton: Mr. Speaker, I would like to pick up on the comments of the member for Brant-Oxford-Norfolk and carry them on a little further and perhaps make them a little clearer.

This bill re-establishing the 44 per cent rate for income tax in Ontario is somewhat misleading. This point has been made a number of times, and it should be made as clearly as possible. It is true that Ontario has the second lowest basic income tax rate in Canada. The member for Brant-Oxford-Norfolk mentioned health premiums. But he did not make it quite clear just how bad the situation is when we look at health premiums and at the income tax credits in the province across Canada—which all ultimately work to establish the eventual effective rate.

It effectively leaves Ontario, not the second lowest at a 44 per cent position, as in this bill, but in fact as the highest province in Canada at some 68 per cent. The lowest is the province of Saskatchewan at 12 per cent.

The discrepancy is rather significant. Although this provincial government and the Treasurer of this province like to coo proudly from time to time about having the second lowest rate in Canada, the 44 per cent rate in this bill is very misleading to the taxpayers of this province. It's not exactly right up front in terms of presenting the whole picture. And it leaves some questions about the validity of debating this bill in this fashion.

For example, last summer the select committee on health-care costs made recommendations, none of which we see before this House. They recommended an additional tax rebate on income tax in Ontario to replace the premium assistance system, which is not being fully or properly utilized by those people who need the assistance. We see none of that here today in this bill, and that's unfortunate. All we see is a continuation of the same thing we have had in the past.

We also see health-care premiums being increased this year, and a number of other taxes being increased—small amounts in each case, perhaps, but increases none the less—while we leave the most progressive tax we have alone.

None of us on this side of the House could stand up and oppose this bill, and advocate an increase in income tax, unless a number of other things were included with it, probably including the withdrawal of all the other tax increases that have been presented in this budget. But I think it is imperative and important for members on this side of the House to express their concern about the nature of this bill and the way it does not fully represent the tax picture to the people of Ontario.

Mr. Haggerty: Mr. Speaker, I want to follow up on the comments made by my colleague about the personal income tax remaining at 44 per cent. I can perhaps see why it remains at 44 per cent.

If we go back into the past budget reports, in 1973-74 I think the revenue that was generated from the personal income tax was \$1,236,000,000; the estimated revenue for 1979-80 is \$2,971,000,000, an increase of 140 per cent. In the five-year period, that indicates it is quite a nest egg for the Minister of Revenue to obtain additional revenue from this source.

In fact, Mr. Speaker, if you look at the present election campaign being carried out throughout Canada, one of the main issues to almost every individual across Canada is the matter of taxes. Perhaps the other most important one is the high rate of unemployment in Canada. I think the government should be looking at a personal income tax cut to provide extra spending for families who have to go out and purchase the goods. This is what is required to keep the economy going and I think this is the area the government should be looking at.

If you go over the last five years, the 140 per cent increase in revenue from personal income tax alone is large. I suggest that with good sound management we could have met that balanced budget the former Treasurer so often talked about in the Ontario Legislature—that the goal would be met by 1980. I look at that and I look at the retail sales tax—there is another area where the revenue in 1973-74 was \$1,315,000,000 and in 1979-80 the estimate is \$2,295,000,000. This is a 75 per cent increase over a period of five years.

Looking at that mass of revenue coming into this province, one sits back and wonders

why, when the Treasurer introduced the budget here a couple of weeks ago, he had almost every tax increased to hit the working people in the province. The gasoline tax increased; tobacco increased; spirits increased—he even went to the land transfer tax to generate another \$20 million there.

I think over the years I've mentioned there has been poor management on the part of this government. I'm sure if we Liberals had been in power we would have met that balanced budget by 1975. With all the good years previous to that, we could have done it with the revenue that was generated by the province.

We have to support this bill because it isn't actually an increase from 44 per cent to 47 per cent or something like that. But I do bring to the attention of the House that the extra revenue generated through inflationary cost increases in income to wage earners have generated this revenue for this province. When one looks at the other tax increases here it can be seen the government certainly knows how to hit home and make it tough for the average working man today. I think there are areas where with proper management we could have met full employment in the province by using this tax revenue base to bring it about.

We support the bill.

Mr. Laughren: As my colleague from Hamilton Mountain pointed out, we are supporting the bill because it leaves the system the way it is—although I want to say that's hard to support.

What disturbs me about the bill—as it bothered the member for Brant-Oxford-Norfolk and my colleague from Hamilton as well—is the statement on page 18 of the budget. It states: "Ontario's personal tax rate of 44 per cent of basic federal income tax remains the same for 1979. This rate remains the second lowest in Canada." The Minister of Revenue wouldn't make a statement like that. We expect it of the flimflam man from Muskoka but we know that the member for Parry Sound wouldn't make such an outrageous statement because he knows that really is playing with the facts.

Mr. Makarchuk: He's a little further north so he's a little more accurate.

Mr. Laughren: I was looking at some figures on the different kinds of provincial revenues basically, the personal taxes in the province, which include provincial income tax, OHIP and retail sales tax—those are highly personal taxes on people—and comparing them with the corporate tax rates. Just looking at the Davis years, for example—by

the way, the Davis years are the Maeck years too, aren't they?

An hon. member: They are the Laughren years too.

Mr. Laughren: And the Laughren years, yes, that is right. The Premier has been the Premier since 1971-72, which is when we were elected as well.

Mr. Nixon: Some people longer than that.

Mr. Laughren: Some people longer than that. It seems longer. Back in 1971-72 personal taxes accounted for 44 per cent of provincial revenues and for 1979-80 almost 47 per cent. That is up about three points, which is too much when it shouldn't be up at all. As a matter of fact, as the wealth of society increases one would think the government could find other ways to raise revenues, whereas the corporate tax total has gone from eight per cent up to 9.9 per cent of the total. Of course, there are all sorts of other taxes which come into provincial revenues too. I am thinking of things like liquor profits and so forth. So the Minister of Revenue hasn't done a very good job of changing the kind of system we have in Ontario.

I was thinking of some ways the minister could give us a different system. That 44 per cent rate, while the Treasurer says it is the second lowest in Canada, it isn't, and the way the Treasurer could make that a meaningful figure—could make it real so that provincial income tax was not so high—would be to have flowing into the tax revenues in Ontario a capital gains tax.

I assume the minister knows there is a federal capital gains tax but it taxes only 50 per cent of a person's capital gain, despite the fact that is income. That is income and should be taxed as income.

I am sure I don't have to remind the minister the late Ken Carter thought that would be a pretty good idea too. That should be income tax.

Mr. Nixon: A buck is a buck.

Mr. Laughren: A buck is a buck is a buck, that's right.

Mr. Nixon: We spent two years arguing about that.

Mr. Laughren: There are a lot of people who agree that any income you earn should be considered just that. Any income that accrues to you should be considered for income tax. There are a couple of professors at Osgoode Hall Law School who agree with that. They are Neil Brooks, an associate professor, and Arthur Teltomaa, who is a teaching fellow at Osgoode Hall Law School at York University.

Their argument is made in the journal, *Canadian Taxation*, January 1979. The minister might want to read that. I think there is more hope in us convincing him than there is in convincing the Treasurer that there needs to be a change in the tax system.

As a matter of fact, we are going to get to a bill later on this afternoon where the evidence of the persuasive abilities of my colleague from Hamilton Mountain are very evident. It took the minister a year but he listened and took his advice. I am referring to the tax on cigars. Remember?

Hon. Mr. Maeck: I remember.

Mr. Laughren: It is very good of the minister to remember that. It is one thing to do it on cigars and it is another thing to do it on a much more fundamental tax, namely, personal income tax. I am going to give the minister a couple of reasons why income tax, which is the bill we are debating here, should include gains from the sale of capital assets, why that is an income tax and belongs in this bill. I quote:

"A dollar of profit resulting from the sale of capital asset increases a person's capacity to consume or ability to pay by as much as a dollar earned through personal effort. Therefore a tax system premised upon ability to pay and upon the most fundamental axiom of justice, that people similarly situated should be treated equally, should tax capital gains in full.

[4:00]

"To the extent that income from capital is not taxed, it means that other income, income from labour, for example, must be taxed at higher rates. Thus, not taking capital gains at full rates causes a redistribution of the tax burden from investors to wage and salary earners."

That point needs to be reinforced. Every time the government does not tax fairly or equitably, it is making someone else pay more who would not otherwise have to do so. One of the things that divides this party from that party is that we believe we have an obligation to create a more equitable tax system in Ontario.

I understand very well the position of that party over there; namely, that unless it has a tax system that goes gently on the high-income earners it will kill incentive. That's the argument that's always used, that we'll kill incentive if we don't have a proper kind of tax system, as they define a proper kind of tax system. We say, on the contrary, that unless we have an equitable tax system, we do not encourage personal initiative and growth at all.

From the way the government's tax system works it encourages all sorts of initiatives by the John David Eatons and the Bassetts of this world, but what kind of incentive does it give for the people down at the \$15,000, \$12,000, \$10,000 level, or even below that level of income? The government doesn't give them much incentive. It's a one-sided argument that it puts. The minister shakes his head. I know too that the minister would argue that one can't include capital gains as income tax because that would discourage risk-taking. That's what the Minister of Revenue would say. That's what the Treasurer would say. We are saying that the government can't have it both ways.

Hon. Mr. Maeck: Don't second-guess me.

Mr. Laughren: I don't. I've heard the minister and his colleagues over there talk so many times about the necessity for risk capital and the necessity for keeping incentive there. It's a lot of nonsense.

Mr. Grande: It's a myth.

Mr. Laughren: If we had a proper tax system and a proper return for investment, we wouldn't need the kind of perks that the government gives to the top income people.

Speaking of income tax—

Hon. Mr. Maeck: That's a good point. That's what the member is supposed to be speaking about.

Mr. Laughren: —which is what we are debating, I wanted to give the minister some figures as to what kind of people realize capital gains.

"The benefits of tax and capital gains of preferential rates accrue almost exclusively to a small minority of high-income individuals. In 1975, over 30 per cent of the capital gains were reported by people with incomes over \$50,000—people who represented only 0.6 per cent of all tax return filers. The average person in the \$5,000 to \$10,000 income group received a benefit of about \$4 because of the preferential tax rate, but the average person with income over \$100,000 received a benefit of \$4,222, or over a thousand times greater."

That puts it in perspective. The minister should not be bringing before this House something he calls an income tax bill unless it indeed deals with all income. The minister would be hard pressed to justify that. All he would have to do is say that all income shall be taxed at the personal income tax rate. I don't expect the minister will accede to my request; nevertheless the point does need to be made.

My colleague talked about the different kinds of tax rates among the various prov-

inces. To give an example, the case of a person with a \$15,000 total income with a spouse and two children under the age of 16, who owns a house on which he pays \$800 in property taxes, using 1979 rates, gives us the following picture: In Ontario, we have a provincial income tax rate of 44 per cent. When we add health premiums of \$1,079 on to that, it boosts the tax rate to 79 per cent of the federal tax payable. When we deduct the rebates and tax credits from it—and, of course, the minister knows I would not talk about rates without subtracting the tax credits and the rebates—we still end up with a percentage of the federal tax payable of 68 per cent. That's the real tax rate, not 44.

When we do the same thing in other provinces, BC has a 42 per cent rate; Alberta has a 37 per cent rate. Saskatchewan has a 12 per cent rate; that's what my colleague meant when he said by the time one added on the health premiums in Saskatchewan—there are none—and subtracts the rebates and tax credits, that's the actual rate you end up with.

Manitoba has a 25 per cent rate; Quebec, 60—now Quebec is a very difficult one to compare and I wouldn't do that; New Brunswick, 45; Nova Scotia, 52.5; PEI, 50; and Newfoundland, 58.

This means that Ontario has the highest rate of taxation as a percentage of the federal tax payable, not the second lowest as the Treasurer claims but the highest. The Treasurer is playing the old shell game only there's no pea under any of the shells. That's the game he's playing with us and we know better.

Finally, the Minister of Revenue should know that he should be rolling the health premiums, into the income tax system as not only my colleague suggested, but as the select committee on health care costs recommended, a year ago. To be fair, they were talking about the subsidy system for OHIP premiums and this is what they said: "The current subsidy system be replaced by a tax credit system that would ensure, as the current subsidy does not, that all those entitled to premium assistance in fact receive it," and they estimated that nearly 500,000 tax filers would benefit by such a system.

It's fine for the Minister of Revenue to talk about the 44 per cent federal tax payable under his income tax system, but it's not true. The minister is very proud of the OHIP system where he provides 50 per cent premium assistance to people, but that's not working; people are not claiming it. The minister does not have the kind of tax system

he is pretending he has and he has let the flimflam man from Muskoka con him into bringing forth this bill. The minister should have dug in his heels and said, "I won't be party to a sham like this."

Mr. Acting Speaker: Are there any other members wishing to speak to this bill? Mr. Minister.

Hon. Mr. Maeck: Mr. Speaker—

Mr. Laughren: Look how red his face is. He's embarrassed.

Hon. Mr. Maeck:—every year we bring in the amendments to the Income Tax Act—

Mr. Wildman: You haven't been this embarrassed since you taxed away that telephone company.

Hon. Mr. Maeck:—and for the last few years we have retained the same rate we had in previous years and every year we hear the same arguments, particularly from the third party.

Mr. Grande: You never answer the arguments. Give us some answers.

Hon. Mr. Maeck: The simple answer is this: the philosophy of the NDP is completely different from ours. They would like to bring in taxes—

Mr. Grande: Oh, really?

An hon. member: You admit that.

Mr. Makarchuk: Your economic policy isn't a philosophy, it's a character disorder.

Hon. Mr. Maeck: The difference between being in government and being in the opposition is that ours is policy but theirs is still only philosophy because they can't make it happen.

Mr. Samis: Who gave out \$28 million to Ford, \$100 million to the pulp and paper companies?

Hon. Mr. Maeck: There's the difference. And look at Saskatchewan. It is a good idea to look at those. My figures say that the income tax rate in Saskatchewan is 53 per cent. I don't know where the member gets the 12 per cent figure. If he wants to start calling retail sales tax and other types of taxes income tax, maybe he can work it out, but my little book here tells me that the Saskatchewan income tax rate for 1978 is 53 per cent. I could tell you that Newfoundland is 58 per cent; Nova Scotia, 52.5; New Brunswick, 55.5; Prince Edward Island, 50.5—that will go down after yesterday, of course. There is no question about that.

Mr. Samis: Any bets?

Hon. Mr. Maeck: Ontario, 44, which is a pretty nice round figure. You can divide it

by two, Mr. Speaker. You can divide it by 11 or 4.

Mr. Grande: It's in between 40 and 50.

Mr. Makarchuk: It sounds like a brand of beer.

Hon. Mr. Maeck: Manitoba 54 per cent and Alberta, being the only one that's lower than ours—

Hon. Mr. Walker: Manitoba is 54 per cent?

Hon. Mr. Maeck: Isn't that terrible? It really is terrible.

Mr. Ruston: A Conservative government too. After all that good management they had when the NDP were in, they still end up with a 54 per cent income tax rate. How did they do that?

Mr. M. Davidson: And there are no health premiums.

Hon. Mr. Maeck: If some of the suggestions of the member for Nickel Belt were adopted by this government, I am afraid he answered his own question when he said we would be stopping investment; we would be—

Mr. Laughren: The minister told me not to second-guess him.

Hon. Mr. Maeck: I guess my friend has heard my story before.

Mr. Laughren: Yes, I have.

Mr. Grande: It is a story.

Hon. Mr. Maeck: No, it is not a story.

Mr. Grande: It's a fairy tale.

Hon. Mr. Maeck: We in this province must remain competitive with other jurisdictions. We must create a climate where there is an opportunity for people to expand. If we take the penalizing system that my friend is talking about and bring it into this province, we will have people leaving the province instead of coming in; we certainly don't want that.

The member for Brant-Oxford-Norfolk talked a little bit about the Ontario Health Insurance Plan premiums, as did I guess all the members who spoke: I seem to recall that the select committee on health-care costs could not come back with a recommendation that was acceptable to all parties in this House.

Mr. Nixon: It would take a change of government to set that straight.

Hon. Mr. Maeck: I would not say that. It might take a majority government, but not necessarily a change.

Mr. Nixon: Heaven help us if we ever get a Tory majority; the 44 per cent rate won't last very long.

Mr. Samis: What would Stan Darling do with that post office?

Hon. Mr. Maeck: I don't know what he would do with that post office.

The member for Brant-Oxford-Norfolk also talked about the province of opportunity being Alberta instead of Ontario. I do not agree with that; I still think there are many opportunities here in Ontario. The climate in this province is conducive to opportunity; it has been, and still is, after 35 years of Conservative government.

Mr. Nixon: Thirty-five years? That's too long; it's undemocratic.

Hon. Mr. Maeck: Yes, about 35; and another 35 coming up ahead.

Mr. Nixon: God forbid!

Hon. Mr. Maeck: I don't like to make the members opposite feel bad, but they have to face the facts from time to time.

Mr. M. Davidson: Idi Amin was President for Life too.

Hon. Mr. Maeck: On most of the items we talked about, and particularly the OHIP premiums—as I say, there is no agreement amongst the three parties as far as OHIP premiums are concerned; granted, there was an agreement as far as subsidy was concerned, but not about the premiums themselves at this point in time. I'm not saying that some time down the road they may not disappear—but who knows?—not right now.

Mr. Laughren: What? What would disappear?

Hon. Mr. Maeck: OHIP premiums.

Mr. Laughren: You are a magician.

Hon. Mr. Maeck: It could happen some time; I'm not saying it is going to happen today or tomorrow, but it could happen some time.

Mr. Laughren: Can we quote you on that?

Hon. Mr. Maeck: Sure, they can quote me. It may happen some time.

The member for Erie talked about cutting the income tax rate, which of course is a completely different viewpoint from that of the New Democratic Party. I must agree with the member for Erie that in some cases income tax cuts do help the economy and do generate employment from time to time; but we do not feel this is the time it should be done. As the members opposite know, the Ministry of Revenue has been on the short end of the stick for the past two or three years. In terms of our budgets, we have not overspent on the expenditure end, but we have not been able to generate the revenue necessary to pay all the bills; so we have been running a deficit. In my opinion,

to decrease the income tax rate at this point is wrong, and that is the reason it is not being done.

Mr. Speaker, I think that answers almost all the inquiries that were made in general terms. Of course, all the members who made them knew what the answers were going to be before I stood on my feet—

Mr. M. Davidson: You are absolutely right.

[4:15]

Hon. Mr. Maeck: —but just to keep the record straight, I want to let the members opposite know we have listened to what they said, but we have not necessarily heeded what they have said.

Mr. Wildman: That is the way to make minority government work.

Motion agreed to.

Third reading also agreed to on motion.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 56, An Act to amend the Tobacco Tax Act, 1979.

Hon. Mr. Maeck: Mr. Speaker, this bill contains provisions to enact the changes in tobacco tax announced in the Treasurer's budget. These changes include increases in the rate of tax on cigarettes and cut tobacco, and in addition simplify and restructure the rates applicable to cigars. I am sure the member for Nickel Belt (Mr. Laughren) will be very happy about that.

Mr. Samis: What about the member for Brampton (Mr. Davis)?

Hon. Mr. Maeck: In addition, several administrative measures are included to further simplify compliance with the administration of this tax. In the case of administration, amendments are included enabling faster action where there is a default in the payment of tax collected. In addition, a three-year time limit for refunds is proposed. This is the same limit as is included in the retail sales tax bill.

In the area of tax simplification, amendments with respect to security for tax clearance certificates and the elimination of the statutory lien are proposed. These amendments will bring both more consistency to our commodity taxes and contribute to the government's goal of tax simplification.

Mr. Haggerty: Mr. Speaker, we on this side will be supporting Bill 56. As I mentioned previously, it certainly does hit at the heart of the working class people in the province of Ontario, and perhaps all those

persons who may want to enjoy a cigarette or cigar at this time. I notice the Premier now has moved from a cigar to a pipe; it might be much cheaper, I do not know.

Hon. Mr. Maeck: We will still catch him. He has to pay.

Mr. Haggerty: He is still going to pay.

Could the minister indicate to me if, with the increase in revenue here, and I suppose it relates to alcoholic spirits where we are going to raise \$22 million in additional revenue to the province, is any of this allocated for research in the area of smoking habits in the province of Ontario as they relate to respiratory diseases, et cetera? Does the government have such a research program in this particular area? I know it does for alcohol, but is there nothing in the area to which I have referred? Is there just the advertisement on the cigarette package that this may be injurious to health, which does not say why?

Mr. Acting Speaker: I would remind the member we are not in committee. Would you make a quick answer, Mr. Minister?

Hon. Mr. Maeck: I will make a note of the question and I will reply to it.

Mr. Laughren: Highly irregular.

Mr. Acting Speaker: The member for Hamilton Mountain.

Mr. Samis: The cigar smoker's friend.

Mr. Charlton: This is the second year in a row we have had increases in tobacco tax. I guess we are in the same position again this year of not being in a position to oppose the increase, because as with the increases last year we would much rather see a tax increase on tobacco than an additional increase, for example, on OHIP or something much more necessary in our society; but this bill is somewhat of an abuse of those people in this society who happen to smoke. It's also an admission by this government of very serious problems in terms of their abilities to find new revenues.

There is nothing wrong with an occasional small tax increase on liquor, or tobacco, whatever the situation happens to warrant, but in this bill, at a time when we are all talking about restraint and about four, five and six per cent wage increases for some employees, the government has increases that start out at 9.1 per cent for cigarettes, 20 per cent for loose tobacco for those people who are trying to be a little more conservatory in terms of their own income and make their own cigarettes. And 33 per cent in the case of cigars under nine cents.

Mr. Samis: Is that still possible?

Mr. Charlton: It just amazes me how the government can talk about restraint and talk about the kinds of things they are doing to restrain their spending, and then turn around and hit the taxpayers in a particular sector of our economy with increases like this. Although they work out in a very minor way in terms of dollars and cents, when the government allows increases like this in any sector at any one time, it's no less gross in nature than the 37½ per cent increase we had to deal with in OHIP premiums last year. It's just too much to demand all at once, and it reflects badly on this government and their ability properly to work their books and deal with taxation in this province in a progressive nature.

There is only one thing in this bill that I see that is useful. I hope the minister will take the time at some point to thank me for setting him straight last year, even though he couldn't find it in his heart in the debate on the tobacco tax increase last year to be fair—

Mr. Samis: A great public service.

Mr. Charlton: —and to apply an equal or higher rate to the more expensive and excessive cigars. Last year he saw fit to introduce a bill which limited the taxes on the more expensive cigars at the expense of taxpayers who went out and bought the very cheapest of cigars in order to try to save their money. This year at least the minister has seen the light and rectified that situation. I am glad to see that that has happened.

Mr. Wildman: On the other hand, perhaps he could tax them according to their odour.

Mr. Nixon: I certainly want to comment on the bill before us, not that we are in a position to oppose it for reasons that have already been put forward, but it concerns me that the level of taxation is so high compared with what the farmers themselves get for the tobacco. We are raising it from 1.1 cents to 1.2 cents per cigarette or something like that, aren't we?

Hon. Mr. Maeck: By two cents for a package of 20. From 1.1 cents to 1.2 cents a cigarette.

Mr. Nixon: The farmers themselves, with their large investments in the tobacco-growing areas of the province, never fail to be amazed that the government makes so much more out of the tobacco business than they themselves do. We are not here to argue about the health aspects; this is done on other occasions. We know, however, that the market continues to expand, even though there are fairly rigorous controls on advertising.

The tobacco farmers themselves account for one of the largest sectors of the agricultural economy. Members who have travelled through the tobacco-growing areas in the counties of Brant, Norfolk, Oxford to some extent, and Elgin where most of the flue-cured tobacco is grown—

Mr. Makarchuk: Some of these are diversified these days.

Mr. Nixon: —would never fail to be amazed at how well the farms are kept.

The member for Brantford is saying that some of them are diversifying. I don't know what he is referring to, unless it would be that according to the reading I've done in certain American publications—there was an article recently in *Atlantic Monthly*—there is an indication, for example, that one marijuana plant will raise about \$200-worth of leaves on the market.

I don't know whether this has prompted a couple of letters from constituents of mine asking for information on research done by the provincial government in growing marijuana.

It is an interesting thing that in the literature from the United States the marijuana business there—all of it illegal—now amounts to sales of \$10 billion. Evidently the smuggling of it through Florida is even larger than the tourist industry.

While I would be the last to talk about legalizing it, I am sure the Minister of Revenue must sometimes lick his chops when he thinks of how large that particular business, albeit illegal, has become. The article—I believe it was in the *Atlantic Monthly*—indicated that even the pressures on the revenue-raising institutions in the United States are very great. This article was predicting further moves towards commercializing this particular crop in the near future, a matter which I am sure we would all agree would be regrettable.

Interjections.

Mr. Nixon: The member for Brantford keeps making noises and it interrupts the flow of my speech.

As I say, in the tobacco-growing areas you will find some of the best farms anywhere. Certainly around Delhi, which in many respects, together with Tillsonburg, is the tobacco capital of Canada, not only do you find prosperous farms but very prosperous communities.

In the old days, before mechanization, for reasons that you can only guess at I suppose, many of the original Anglo-Saxon and Scottish landowners sold out to those who had immigrated to this country. The newcomers perhaps seemed to be more prepared to work

very hard and very carefully with a crop that in those days required a good deal of hand work, in fact it still does.

So these areas have become centres for the most active ethnic groups. Certainly any time you want to go for a very interesting vacation, go down to the Delhi area at tobacco festival time and you will be very royally treated indeed. I recommend that to you, not only as the member for the area but as a person who has participated in that hospitality now for a number of years.

On behalf of the tobacco farmers in my area, I want to express their dismay that although they do the work—and for the last year or two they have been reasonably satisfied with the profits they make—it is amazing and appalling to them that the government, simply by the passage of a bill like this, makes far more revenue out of the crop than the farmers would ever hope to make in their greatest expectations.

I know the minister is concerned about this, as are we all, and we look forward with a great deal of interest to the next few years in association with revenues in this and related crops.

Mr. Laughren: Mr. Speaker, there are not many taxes that I think should be allocated for a specific purpose. I think tax collection properly goes into the consolidated revenue fund and it should be the responsibility of government to take it out and spread it around. But there are a couple of taxes I think should have a portion allocated for a specific purpose. One would be the liquor tax, which would go towards rehabilitation work. Secondly, the tobacco tax should have a portion allocated to health-related research on diseases related to consumption of tobacco. I am not talking about Acapulco gold, as my colleague from Brant-Oxford-Norfolk I gather was.

Mr. Nixon: What's Acapulco gold? What is that stuff?

An hon. member: That's not his brand, Floyd.

Mr. Laughren: When I see the minister introducing a tax bill called an Acapulco gold tax then I'll know he has changed his policy on the taxation of certain weeds.

I'm from the area the member for Brant-Oxford-Norfolk talks about. Originally I spent many years in the tobacco-growing area so I know the economic importance to that area of the province that tobacco represents. But I really feel there needs to be an allocation of funds to research.

[4:30]

Mr. Nixon: I think there should be an allocation to expanding the market overseas.

Mr. Laughren: One of my colleagues mentioned earlier some reference to taxing according to the degree of odour that emanated from a particular tobacco. If he ever taxed my colleague the member for Port Arthur (Mr. Foulds) according to the odour that emanates from his pipe, he wouldn't be able to raise a family in the style to which they are accustomed.

Mr. Foulds: Point of privilege, Mr. Speaker: I'm sure the member has confused me with his colleague from York South (Mr. MacDonald).

Mr. Acting Speaker: Undoubtedly.

Mr. Samis: What do you call a smoker of cigars as well as pipes?

Mr. Laughren: A pox on them both.

Mr. Speaker, that concludes my remarks. I'm not happy with the way the Minister of Revenue once again is doing the bidding of the Treasurer (Mr. F. S. Miller) without complaining about the kind of taxes he's been asked to implement for the people of Ontario.

This Treasurer has a different style about him than the previous Treasurer. The previous Treasurer always gave you a large target. The present Treasurer gives you a whole bunch of little ones, and they're always moving. It's a lot different debating the budget of this Treasurer than the previous one. What's not different is the way the Minister of Revenue so willingly implements the taxes the Treasurer imposes upon us.

Mr. Makarchuk: Mr. Speaker, I would like to raise a matter with the minister regarding the situation that exists in the liquor industry, where the Treasurer actually sets the price for the liquor that is sold in the stores. I wonder if a similar situation exists in the tobacco industry. If so, perhaps he is getting the blame which really should be apportioned to the Treasurer.

I wonder if in his reply he would explain to us how he decides on the amount of increase on cigarettes. Is it on the basis of some form of market research which makes him feel this is what he can extract from the consumer? Does he get the order from the Treasurer to raise so many millions of dollars on tobacco, in which case does he just apply the cents per cigarette to raise the number of millions of dollars the Treasurer wants? In effect, is the minister the tool that carries out the orders given by the Treasurer?

I wonder if the same situation applies to the tobacco tax with the final pricing of tobacco as is done in the liquor industry.

Hon. Mr. Maeck: Mr. Speaker, first of all to answer the query from the member for Erie, there is no such program. There is no rehabilitation program within the Ministry of Revenue and there are no tobacco taxes specifically laid out for that particular purpose. Any taxes collected go into the general revenue fund, and any program that might be affected would be through the Ministry of Health. There is really no program in the Ministry of Revenue for that purpose at all.

I guess everyone complains about taxes going up too much. As a taxpayer I also complain about that, but I think we all have to understand certain revenues must be found to make this province operate. It's a matter of deciding where you're going to find those dollars.

Mr. Laughren: That's why we are surprised you haven't taxed marijuana yet.

Hon. Mr. Maeck: While we may disagree with where they're found, I'm sure the members opposite realize the dollars have to be found somewhere. There are people proposing new programs and asking for more dollars; those dollars have to be found.

Mr. Nixon: Your colleagues are spending too much.

Hon. Mr. Maeck: That's fine, but when we start cutting back, if it affects the member's riding he would be the first one to come to us and say: "Don't do it here; do it over there."

Mr. Nixon: Sounds logical to me.

Hon. Mr. Maeck: Of course it does, it's human nature; but by the same token we're the ones who have to be accountable for these things.

Mr. Wildman: He nationalizes telephone companies.

Hon. Mr. Maeck: I think members have to look at the overall budget and not individual items in isolation.

Mr. Charlton: That's the problem; we are looking at the overall budget.

Hon. Mr. Maeck: Obviously I don't expect people on the opposite side to agree to what we're doing. I don't say they would do any better if they were over here; I hope in fact they don't get the chance to be here. However we do make those decisions, and hopefully it's done in a reasonable manner. So when we talk about two cents for a package of 20 cigarettes, that's what it amounts to. It's the second raise in the tobacco tax since I've been a minister, and that's only been in 15 or 16 months. However, as I said, it has to be found somewhere, so that is where it is being found.

The member for Brantford wanted to know how the decisions were made regarding this type of situation. I'm sure he's well aware it's the Treasurer's responsibility to set the fiscal policy of the province. It's my responsibility to administer those tax laws after the Treasurer has set the policy.

I do have input into some of the decisions being made by the Treasurer; we do talk from time to time. He looks for recommendations from my ministry from time to time but the final decision is his and his alone. That's the way the decision is made. He doesn't say to the Minister of Revenue, "I want you to raise \$200 million this year. You find it wherever you can." That isn't the way it's done. It's done completely differently.

We look at all of the possibilities of where the money could be found. Through the process of investigation, elimination, and all the conferences that go on between my ministry's staff and his, the final decisions are made as to where these dollars are going to be found. That's the system.

Mr. Laughren: What about the mining tax?

Hon. Mr. Maeck: I have no input into the mining tax whatsoever; it is not under my jurisdiction. I would presume the same sort of conferences go on between the Ministry of Natural Resources and the Treasurer, but I don't know, I'm not privy to those. But that's basically how it's done.

The member for Nickel Belt also suggested this is one tax from which some funding should be specifically set aside for health-related research and so on. I don't know whether I agree with that or not. I wouldn't have any particular opposition to it, I guess, but the way our budget is set up at the present time and the way our financial policy is done, it's a matter of collecting the taxes, putting them into the general revenue fund and then specific items are taken out of that to run this sort of thing the member is talking about. I think it's a lot simpler way of doing the bookkeeping than taking it out from individual taxes.

Thank you, Mr. Speaker.

Motion agreed to.

Third reading also agreed to on motion.

MOTOR VEHICLE FUEL TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 54, An Act to amend the Motor Vehicle Fuel Tax Act, 1979.

Hon. Mr. Maeck: I have a very short statement, Mr. Speaker.

This bill contains changes to the Motor Vehicle Fuel Tax Act announced in the Treasurer's budget.

First, the tax will be imposed on fuel consumed in railway locomotives at a rate of 2.2 cents per litre. This means that all provinces with railways will have a tax on railway fuel.

An increase in the general rate from 5.5 cents per litre to 5.9 cents per litre announced in the Treasurer's budget is also included.

Tax simplification measures are included to further the equity afforded taxpayers and collectors. The first amendment permits a taxpayer to object to the total amount of an assessment, including penalties and interest, which they were not allowed to do before. Also, the types of security for tax which may be accepted are broadened.

To further ensure that the taxes collected are realized in Ontario, a provision enabling the extension of power to assess where the tax has been collected is also proposed.

Mr. Haggerty: I would like to make a few comments on Bill 54, An Act to amend the Motor Vehicle Fuel Tax Act. I understand this is perhaps the first time the government has moved into the area of putting fuel tax on a public transportation system. Perhaps I am not quite clear on the word "public." Does this apply to GO Transit and does it include all railway transportation? I am talking about hauling freight and so forth. I would like an answer to that.

I am glad to see the minister has tightened up in cases of persons who refund the province for collecting taxes. He may now require surety bonds. If I can recall, in the past there have been certain areas where the ministry has had difficulty in collecting its share of the taxes relating to diesel fuel for the trucking industry in the province of Ontario. I am glad to see that. It is not pleasant to stand up and say we support a tax, but if the tax is going to be applied to the certain areas that require it, such as for rebuilding of roads and other new road construction and to assist in the cost of operating the GO system instead of subsidizing it, then perhaps we can agree that we support the principle of increased taxes in this particular area.

Mr. Charlton: I rise to speak to Bill 54 and I will be relatively brief. There are a number of my colleagues who wish to speak to certain sections in the bill. I should say to the minister that although we bitched somewhat on the last two bills which were before this House we didn't oppose them.

Mr. Speaker: I am sure the honourable member could find a nicer way of expressing himself.

Mr. Charlton: Yes, Mr. Speaker, I will withdraw the word I used and modify it to say we complained and harangued the minister about those bills. We criticized them but we didn't oppose those bills.

Mr. Wildman: He cussed about it.

Mr. Charlton: We are going to oppose this bill to increase the motor vehicle fuel tax. This bill is inflationary. It is inflationary at the very roots and very heart of Ontario's economy. It is not excessive, but it is part of an inflationary budget which has been put forward by this government.

This bill affects the transportation system right across the province and the delivery of goods and services right across the province. This tax increase will affect the price of those goods and services which are delivered by the transportation system. In addition to that, this bill, in our view, takes the questionable step of creating a new tax on public railways. This tax affects public transit across the province of Ontario; public transit which is run by municipalities and others and which has been under substantial pressure already for a number of years as municipalities fight to keep the cost of the fares in public transit down.

This bill is inflationary in nature. It is part of an inflationary budget from this government, and we are going to oppose it.

Mr. Nixon: I would like to say that we are going to oppose it too, but obviously we can't. Somebody has to take the responsibility of keeping the ship of state afloat, I suppose.

Mr. Samis: You mean pumping it up.

Mr. Nixon: The NDP was quite prepared to have an election over a five cent increase in the subway fare in Toronto. All the members from the Sudbury area were so anxious to have an election over this terrible matter. Now they are prepared, I suppose, to rely on the modernation and good sense of the Liberal Party to save them from their own ridiculous position even in this bill.

Mr. Mackenzie: You wouldn't understand principle.

Mr. Nixon: However, we are used to that. We are used to this sort of responsibility and we are prepared to take further responsibility for the taxation system of this province when we assume the responsibility of government in the near future.

[4:45]

Having said that, it does concern me that the Premier (Mr. Davis) so frequently expresses his concern, his public concern at least, for the increasing cost of gasoline and motor vehicle fuel in Canada and this province. He repeatedly has attacked the government of Canada which, over these many difficult years since the Arab boycott began in 1973, has been attempting to equalize the effects of these huge increases in price at the world level for the benefit of all the citizens of Canada. It has been a demonstration, in my view, of the very best concepts of the effects and purpose of a strong, central government.

The Premier is not here; I understand that he sits in his office, and usually listens to the debate, however, and rarely misses anything that goes on in that connection. But even though the Premier repeatedly has been critical of these increases, still he permitted his Treasurer to announce this increase, which is of course directly under our control.

The prices of gasoline and motor vehicle fuel are so volatile, changing without much notice as the nations of the Organization of Petroleum Exporting Countries make their various unilateral, monopolistic decisions. Therefore, it is natural that in Canada—with the policy that is well understood, although admittedly not enthusiastically supported by all—the prices in Canada have been going up in a dramatic way.

I agree that it has in many respects fuelled inflation. But it seems completely unrealistic for the Premier, who has expressed his concern so frequently—particularly when he puts it in terms of the unemployment he believes it directly causes—to allow his Treasurer to go forward with this tax increase once again. It seems to me illogical as far as he's concerned.

The reason I have said we are not prepared to vote against it is that we do not feel the people of the province are prepared to have an election on an increase in gasoline tax of two cents a gallon at this time.

Mr. Grande: Let the government do what it wants.

Mr. Nixon: If it doesn't seem reasonable to the members of the New Democratic Party, then they can continue being an irresponsible rump occupying one corner of the Legislature.

Mr. Grande: You are here to provide opposition for the government.

Mr. Mackenzie: Thank heaven there is some opposition in the House; it sure doesn't come from your party.

Mr. Nixon: As a matter of fact, there is another matter that does concern me, and I'm

sure it would concern many people in the House; that is, the procedure whereby this tax is collected from those people who do not intend to use the gasoline or the public highways in any way. There is often a very lengthy period of time when these worthy people—many of them farmers, fishermen and other working people—finance what the government is doing by paying gasoline tax on gasoline that is in essence not taxable; it is not used on the highways or public roadways of the province.

I know that the people in the bureau of gasoline tax refunds, or whoever it is that I write to regularly, are quite efficient; I have never felt, as far as they are concerned, that they did not apply the letter of the law effectively and fairly. After all, it's not their responsibility that the law is so balled up in this province that the farmers, already hard-pressed in many areas of the province, have to pay the tax on the fuel; that it lies in the consolidated revenue fund to the advantage of the Minister of Revenue and his colleagues for many months and in fact, sometimes for years; and that the farmers and others, who as I say are often hard-pressed, don't get an interest payment from the government, which has had the use of these hundreds of thousands of dollars for this period of years.

It used to be, under previous administrations, that the gasoline was paid for without tax on the appropriate affidavits or whatever the forms would be from the farmers and others, stating that the gasoline was not going to be used in a way that would come under the taxation policy of the province. It's really quite an unnecessary addition to the cost and the bureaucracy, and it is of particular inconvenience to the farmers, who must continue to submit themselves to what I consider to be an unfair, unnecessarily expensive and cumbersome procedure.

Mr. Samis: Mr. Speaker, I want to make a few brief comments on this tax bill. First of all, I want to say that I don't mind being called "the rump" or "unreasonable" or "irresponsible." But at least I can look you in the face and say with pride that I'm not supporting Pierre Elliott Trudeau in this federal election campaign.

An hon. member: With pride.

Mr. Samis: I don't have to defend the Trudeau record over the last 11 years; with pride may I say.

Mr. Nixon: I'm quite proud to be supporting him.

Mr. Samis: Now getting to the gas tax, may I say personally, I think this tax is not the

most equitable form of raising taxes. There are other sources I think would be far more equitable than this, for reasons I will give. If you combine all these new taxes with what's going on in the economy and ask yourself who is really getting hit by it, obviously it's the average taxpayer in Ontario. Those who have the income or the means can suffer very little consequence from this.

If you look at the overall situation: the cost of energy is going up thanks to our friends Lougheed and Trudeau, the cost of food has gone up 20 per cent in the past year, we are raising the cost of OHIP again, we are raising the price of gasoline, we have just voted to raise the price of tobacco, we have voted to raise the price of liquor and beer, we are talking about higher interest rates, we are talking about higher mortgage rates, we are talking about higher rents in Ontario; and now we are hitting them again in an area they haven't been hit before, although we realize the cost of using railways has gone up. The cost per passenger has gone up just recently, there was another fare increase by CN. There was a fare increase in this metropolis. Maybe in Brant-Oxford-Norfolk they raised the cost of public transit. I know in my particular community we have a strike by the transit workers right now, and obviously the end result will be a fare increase based on the settlement, and even higher fares because of this.

I want to speak to this bill more, Mr. Speaker, as a somewhat romantic, nostalgic, user and reader of railway lore in Canada. It seems to me if there's one source of public transportation in this country that is getting the short end of the stick, especially from the federal government and not quite as badly from the provincial, it is the railways.

Look at the investments in our society. We spend \$1 billion on a complete white elephant called Mirabel. What do we give the railways? We are prepared to spend another \$1 billion on the Pickering plum, with nothing there. What do we do with railways?

Railways are telling us all the time they have to cut back in their passenger services because they just can't attract the passengers, therefore they raise the rates on the remaining runs to justify it. Mr. Bandeen goes before the federal government and says: "Look; black. Look at that colour; for the first time in 25 years, black." He appears this year and says: "Two years in a row we have produced the colour black. Aren't we doing great?" CP prides itself on how they have cut back on passenger services so they can go back to their shareholders and say: "Look at our

piggyback service. Look at our other operations."

The end result is it's the person who doesn't have a car or the person who needs public transportation in the small communities beyond Metropolitan Toronto who is deprived of services or has to pay increased rates. I would think the end results of this bill have to be higher fares for public transit in the urban areas and higher fares for interurban transit.

Coming from a small town not close to the metropolis of Toronto, we have to use those public services more than people in Toronto. That means a higher cost of living and it deprives some people of opportunities. I think it would be far better to resort to the income tax or some other form of taxation if we have to raise revenue in something so particular as that.

I know the minister will say, "We have raised the gas tax in the next bill so that hits at the guy who drives and doesn't depend on it." We are getting him both ways. I think the end result has to be, as my colleague from Hamilton has mentioned, we are going to pay higher prices for services, higher prices for goods and the government is going to come back and preach to us about the need for restraint in the economy.

They go to a worker and they tell him: "Don't ask for more than six per cent. You put us in a difficult competitive position in the world." The worker has to face reality. His energy costs have gone up; his food costs, his OHIP, his gasoline, his tobacco, his liquor, his beer, his interest rate, his mortgage rate, his rent and his transportation costs have all gone up. Then we say: "Restrain yourself. If you ask for more than six per cent, you are causing inflation. You are the source of the problem in the first place."

Yet he has caused none of those things. In cases like this it's government that's causing the inflation, and that's what I resent about this. It's not a fair and equitable source of taxing. I think in terms of transportation services, particularly the railway, an interurban railway, this is going to cause further problems for the passengers and for the companies. On that basis I support my colleague from Hamilton and we will oppose this bill.

Mr. Roy: Mr. Speaker, I think as a sitting member I must put a comment on the record about legislation as regressive as Bill 54. As one who has been observing the actions of this government since 1971, I think the minister will agree this type of tax is somewhat cynical. It is especially cynical coming from this government.

First of all, as my colleague from Brant-Oxford-Norfolk (Mr. Nixon) mentioned, time and time again we have seen the Premier of this province stand in the House and be critical of the federal government allowing increases in the price of oil coming out of Alberta. He has made many statements in the House, and as my colleague said he has related the increase to loss of jobs in Ontario.

This hasn't happened only on one occasion, but on many occasions. He has always had some reservations about attacking the enthusiasm or the aggressiveness of Peter Lougheed, but he has never had any qualms about attacking the federal government for allowing the increase.

At least the approach of the federal government had more compassion and equity in it in the sense they were distributing the money from the increase to the provinces; they were subsidizing the provinces which were getting offshore oil. The Premier has consistently criticized the federal government for allowing the increase. Yet here we are just a year or two later, and his own government slaps on a tax as they do in Bill 54. I really think it is a cynical way to be governing this province.

The second thing which makes this approach even more cynical, as some of my colleagues have mentioned, is the fact that in this bill one of the areas that will be hit the hardest is the area of public transportation. If there is one Premier of a province associated with public transportation it is the Ontario Premier himself.

Again we go back to 1971 and how the reputation was made and how the election was won in 1971; the medals that flowed from that and his Krauss-Maffei system and so on. The emphasis was on public transportation, how that was going to be the system of the future and how we should encourage that. In the light of the energy crisis and in the light of decreasing funds for other types of transportation again the Premier emphasized the area of public transportation. Yet here he is, just a few years later, and his government imposes a tax which will increase the rates for public transportation and will discourage people from using the very system he has emphasized and encouraged since his first days as Premier of this province.

So in that light the approach of the government, based on its past performance, based on its past utterances, is purely cynical. If the government wants credibility with the people of Ontario, surely it needs

some consistency. It doesn't have it, and I would think that this minister would be—

Mr. Grande: You are cynical and you are hypocrites.

Mr. Roy: We will talk about who is a hypocrite afterwards. I will be talking about my colleagues to my left.

I say to the minister that he should have some trepidation in proposing this type of legislation in view of the policy, at least of the past utterances by his leader about his support of public transportation and his criticism of increases in the price of oil; yet here is his government taxing it.

As my colleague has said, what do we do? Do we oppose it, defeat the government and have an election? Is that the solution to the problem?

Interjections.

Hon. Mr. Drea: NDP grandstanding.

Mr. Roy: Is that the approach that should be taken? Is that a responsible approach to be taken in April 1979?

[5:00]

Just last week on television, CJOH in Ottawa, the leader of the NDP was on. He was asked this question, "Mr. Cassidy, when do you expect the next provincial election to take place?" He said, "In spite of our motions of no confidence, I do not expect another provincial election for another year and a half or two years." He said this publicly on television so, no matter how they rant and rave to my left, basically they know that their leader, as themselves, does not want an election on this.

In fact, what is happening is that because of the responsibility of the Liberal Party in Ontario these people can afford to be foolish and irresponsible.

Mr. Samis: Remember the no-confidence motion of 1975?

Mr. Roy: The approach of this party is basically that an election at this time would be counterproductive. Our commitment on the distribution of income and fair taxation will take place when the people of this province accept a responsible opposition as being capable of forming the government. At that point they will not be looking to people who are bringing forward motions of no confidence every second day.

Mr. Nixon: No way.

Mr. Samis: December 1975. How did you vote in 1975?

Mr. Roy: They should learn a lesson from Bob Stanfield, who said on television recently that one of the things that hurt him in the

1974 election was that he brought forward too many motions of no confidence without enough merit between 1972 and 1974. It is just posturing and they know it. It is not the approach of a responsible opposition.

Mr. Isaacs: Mr. Speaker, I was sent here by the people of Wentworth to tell the honourable members opposite what they ought to be doing and what they ought not to be doing. This is a bill they ought not to be bringing in and that is why I am opposing it.

I support, of course, the comments that my colleague, the member for Hamilton Mountain (Mr. Charlton) has made, but I want to concentrate specifically on the imposition of fuel tax on passenger train service. Passenger train service in this country and in this province is already facing serious difficulties. The Via Rail Canada system that the federal friends of those to my right have set up is a good idea in theory, but in fact it is just a masquerade for another series of cutbacks. We are seeing cutbacks in passenger rail service all the time right across the province.

Mr. Samis: How many stop in Parry Sound, Lorne?

Mr. Isaacs: The GO train system, as set up in this province, is another good system but it is not run efficiently by TATO, it is not operated efficiently by CN and it is not helped in any way at all by the government of this province.

Mr. Samis: What's the Social Credit solution?

Mr. Isaacs: We need to make use of railway rights of way. There is plenty of opportunity to provide much needed passenger transportation, intercity and interprovince, on railway rights of way that already exist. If we concentrated on passenger train service then maybe we would not need the new airports that everyone seems to want to build, that is everyone on the other side.

One of the problems we shall face with this imposition of fuel tax on passenger train service is that within weeks we shall have another request for fare increases from the railway companies. Those fare increases will drive more passengers away from our train service, and then there will be requests for further withdrawal of service. We should be moving in the other direction. We should be encouraging people to use train service; we should be extending GO train service to the city of Hamilton and taking some of the buses presently running along the Queen Elizabeth Way creating congestion and pollution off the road and putting those same buses, in the form of light rail vehicles, on

the rails to provide improved service over that which exists now.

It seems to me that unless we make positive steps in the direction of passenger transportation, we are going to run out of energy resources and be polluted to death. I think that imposing a fuel tax on train service is a step completely in the wrong direction. I think it is a move that is incredibly reprehensible and I would urge the government to reconsider.

Mr. J. Reed: Mr. Speaker, I rise to reluctantly support this bill. I would like to say that the member for Brant-Oxford-Norfolk has expressed far more eloquently than I could the apparent hypocrisy of the government in taking a position of derision. Whenever gasoline is mentioned, I hear them often talking to us about our cousins in Ottawa raising the price of gasoline and so on; and now they are undertaking to do it themselves with an increase in taxation.

I wish the government would become a little more practical and a little more reasoned in the position it takes on some of these subjects. The member for Burlington South probably realizes that his government is incapable of taking positions that are reasoned and practical, but I have to tell him this is one issue that is so critical and so fundamental to Ontario that it should be considered in a most reasoned way.

Petroleum is what the wheels of industry, the wheels of travel, individual wheels turn on all over this province. As a matter of fact, we are the greatest consumers of petroleum in all of Canada. We're a consuming province, and we import 80 per cent of the energy we consume.

The petroleum reality is something that must be understood. If it's not going to be understood this year, it's going to be understood in five years' time by every citizen in this province. The simple fact of the matter is that we as a country now are net importers of petroleum; that is, regardless of the import-export balance that we always maintain, the net result is that we bring in more petroleum into this country than we export. The result of that reality is that we have become extremely vulnerable, simply because we are dependent upon world forces and world prices that are well beyond our control.

The Premier of Ontario can rail away at us about the price of gasoline and the New Democrats in their total lack of understanding of the situation can talk about their warped concept of consumer protection, but the truth is that when the ayatollah, or

whoever his counterpart is in the Middle East, decides he is going to tack a couple more dollars a barrel on the price of petroleum, that is exactly what we will pay for it coming into this country. If that's not a reality we can face as Canadians, surely we can't face any reality.

Mr. Samis: The ayatollah is not the only one.

Mr. Laughren: What about Alberta petroleum?

Mr. J. Reed: What disturbs me about this kind of politicking that takes place on the part of the government with regard to the price of gasoline is that there's an alternative. If we were not net importers of petroleum into Canada, then we would not be the victims of world price fluctuation; we do have the power to overcome that, and we've got the power right here in Ontario. But what did we hear when the government of Canada authorized the export of two trillion cubic feet of natural gas to the United States over the next 10 years? Not a word from the Minister of Energy in Ontario about the utilization of that natural gas to provide us with a quantity of liquid motor fuel which would—

Mr. Laughren: That was a Liberal government.

Mr. J. Reed: Yes, it was, and I'm critical of them for that. Is it all right for me in Ontario to be critical of the government of Canada? I think it should be.

I am also equally if not more critical of the Minister of Energy of Ontario who knew that energy resource was available, who knows it is available now and who does nothing about it. When he's approached about the alternative of turning natural gas into liquid fuel, somebody comes along and makes blanket statements about it being uneconomical. If anybody cares to check the wholesale price of methanol from natural gas at the present time, he'll find it's beginning to look quite attractive as an additive to motor fuel.

There are some who feel that an additive to gasoline can somehow be injurious to automobiles. One of the pages in the oil companies' promotion papers has to be the effect of alcohols on internal combustion engines. Just let me point out that in Brazil up to 20 per cent of alcohol is included in all gasoline and has been for many years. There's nothing new or revolutionary about that.

Mr. Makarchuk: Yes, but they drink it.

Mr. J. Reed: As a matter of fact, it makes the gasoline perform better. I should say

there are also 300,000 automobiles in Brazil that run on nothing but alcohol. There are lots of politicians that run on that. The fact is that this alternative is available to us in Ontario.

Mr. Laughren: The minister should go to Brazil and check it out.

Mr. J. Reed: The fact is that we can make use of it if we make up our minds to just head in that direction. The government of Ontario is missing the boat, and as a result we are bound to the world price and world price increases.

Mr. Haggerty: Don't mention that as a tax or they will be into it.

Mr. J. Reed: Until that condition changes, we will still be faced with price increases for which the Premier of Ontario will criticize those of us who have cousins in Ottawa, who according to the Premier allow that to take place.

Mr. Laughren: A Liberal is a Liberal.

Mr. J. Reed: It just isn't so. The reality is that until we become self-sufficient once again we are still victims of this situation.

Hon. Mr. Maeck: Should we abandon our taxing authority because of that?

Mr. Wildman: Mr. Speaker, I rise to speak in this debate and to support the position taken by the member for Hamilton Mountain in opposition to this increase, especially in relation to the imposition of taxation on railways.

I represent a riding in the north end of which many of the communities are completely dependent upon the railroad; most of the people work for the railroad and most of them have a great deal of respect for the passenger service. The Speaker of this House would be able to explain very well the feelings most railroad men have about passenger service and their tremendous distrust of what governments in this country have done to discourage rather than encourage the maintenance and expansion of the passenger service in this country. This is just one more imposition that is going to make it even more difficult for rail to be a viable alternative to the high-energy-consumption types of transportation we have in this country.

I find this somewhat hard to understand in relation to some of the comments that have been made in the past by Conservatives in northern Ontario. During the last provincial election campaign, I believe when the Premier was in Timmins he made a statement that his government was committed to viable passenger rail service in northern Ontario. As a matter of fact, he stated the government

would be willing to look at the possibility of using the Ontario Northland as a method of taking over areas of rail service the federal government abandoned if it were felt to be necessary. He made that as a strong commitment to rail service in this province especially in northern Ontario. Here we have a situation where the government is imposing a tax which can only have the opposite effect.

[5:15]

However, I don't really find it completely surprising when one considers the response by the government, or lack of it, once it had been returned to a minority government situation after the election. As a matter of fact, just after the election, in the southern part of my riding, the CTC made a recommendation to eliminate the Budd car service between Sudbury and Sault Ste. Marie. At that time our caucus discussed this. As a matter of fact the federal member for Sault Ste. Marie, my colleague and I appeared before the CTC and opposed that; but they made the decision anyway.

Our caucus discussed it, and during the question period the former member for Wentworth (Mr. Deans), who has been very well represented here today by his successor, got up and asked the Premier what he was going to do to fulfil his commitment on northern Ontario rail service in response to the CTC's decision to discontinue the Budd car service? The Premier got up and sort of waffled and weasled around, and then said, "We might consider it at some future date."

We haven't heard anything about it since. It's obvious this government isn't committed to the rail service, either in northern Ontario or in this province in general. We haven't heard anything further about that, and now we have an imposition of a tax which can only have a detrimental effect on the rail service in general.

I talked to my people in Hornepayne who no longer have a passenger service running on the CN line through northern Ontario. If they want to go by train now they have to travel either by car, or I suppose hitchhike or something, for 60 miles along a terrible highway that is in need of repair to White River. Late at night, about 2 a.m., they have to pick up a CP train.

As a matter of fact, some of them have CN passes and they're not sure whether they will be covered on the CP. When I tell them this government is imposing a further tax on the fuel for locomotives, I think they'll understand how little commitment there is.

Mr. Laughren: You make a lot of sense over there from over here, do you know that?

Mr. Wildman: I seem to be driving my colleague to the other side of the House.

The other thing I find that position to be—I don't know whether it's parliamentary but I'll say it anyway—is two-faced, Mr. Speaker.

Mr. Laughren: Right on.

Mr. Wildman: One minute they say they're in favour of a rail service and the next minute, or few months later, they impose a tax which will discourage it.

Then I turn to my colleagues to my right—

Mr. Laughren: Far right.

Mr. Wildman: —who are saying today they agree we should be encouraging the kinds of transportation in this province which will consume less energy and they deplore this kind of legislation but they must reluctantly support it.

Hon. Mr. Maeck: Would you have an election over this?

Mr. Wildman: I don't want that, I want them to make a decision on principles.

It's interesting, the member for Ottawa East said that because we knew they weren't going to vote with us we could be foolish and irresponsible. I think those were the terms he used.

Perhaps in his terms we could be foolish and irresponsible, but it's obvious from what he said and what his colleagues have said that their position in this House makes it impossible for them to be principled.

Mr. Laughren: Right on.

Mr. Wildman: I wish they would stand up for their principles and vote for what they believe in instead of saying: "We're against you, but we're going to have to support you because we're afraid of an election." For that reason I'm going to oppose the government and I hope they get the gumption to live by their principles. Thank you, Mr. Speaker.

Mr. Laughren: What principles?

Mr. Kerrio: Fine speech.

Mr. Deputy Speaker: The member for London Centre.

Mr. Peterson: That was the same member, you recall Mr. Speaker, who had all the eloquent comments on the by-election in Sault Ste. Marie.

I just want to make a couple of remarks.

Mr. Wildman: There weren't too many Liberals there.

Mr. Mackenzie: Class comment, real class comment.

Mr. Peterson: There we have the one member in the whole House who can't talk about class in any area. He is beneath it even when he goes to the union hall. He's even an em-

barrassment to the working movement. He really is.

Interjections.

Mr. Peterson: I want to make just a couple of points, Mr. Speaker, if you can control the yapping behind me. Could you throw them a bone or something?

Mr. Deputy Speaker: Perhaps the honourable member would address his remarks to the bill.

Mr. Roy: He's right on.

Mr. Peterson: The members think I'm making a wonderful speech.

Let me just say that what bothers me about this tax—and of course particularly its introduction in concert with the other tax increases—is that the whole budget was conceived, I think, by the Treasurer putting on a blindfold and by putting a dartboard on the wall with various categories and he threw them all blind and decided somehow, through no particular plan, through no particular rhyme or reason, to raise another \$181 million extracted out of the public hide. As I said earlier, it was calculated only for political effect in trying to raise the least amount of hissing, to try to minimize the number of squawks and complaints. So it is a little bit here and a little bit there.

I must say, of all the tax increases, this is the one that I am personally least happy with, for a number of reasons.

Mr. Mackenzie: But you will still support it.

Mr. Peterson: I think the same Premier, the same ministry, the same government that runs around this country protesting vehemently about the price of energy and what it is doing to jobs and to the cost of living in this province, is the very same one sneaking this through, only because, I feel quite confident, he doesn't feel he is going to be blamed in these particular circumstances. There will be a vague feeling, at least, that it is not the Premier's fault, it is not the government's fault, it belongs to some foreign government, i.e., the government of Alberta or the OPEC cartel. He is really riding that one through and taking advantage of a situation to minimize the number of complaints in this area.

I am not very happy about the Treasurer not being here. We are really wasting our time talking to the Minister of Revenue in these circumstances. He is just handed a sheet of paper which says, "Be a good fellow. We will let you keep your \$10 licence plates in Parry Sound if you go out and extract this \$181 million worth of revenue in the most regressive way we can possibly imagine, if you can extract that out of the public hide."

Interjections.

Hon. Mr. Maack: Jealousy will get you nowhere. Wouldn't you love to sit on this side? Wouldn't you love to sit over here? But you never will.

Mr. Deputy Speaker: Order.

Mr. Mackenzie: You've got their support, it's all right; don't worry.

Mr. Peterson: I can say this, if it ever came down to a choice between sitting there and sitting over there it wouldn't be easy, because I find, frankly, neither of the other parties have any redeeming qualities whatsoever.

Mr. MacDonald: Do you know the definition of a Liberal? It's a person who won't get in bed with the Tories and hasn't the guts to be a socialist.

Mr. Peterson: You see, more bathroom humour is coming out of the former leader of the New Democratic Party.

Mr. Grande: You and Marvin Shore.

Mr. Peterson: In my judgement it is clearly an indication of the Treasurer's confession that he developed his budget by impulse and by intuition. I wish I had seen some more clear direction in this budget. I wish I had seen a greater sense of vision. I wish I had seen him vigorously attack the energy problem in this province.

If he had done it as part of a package to encourage conservation, then one could possibly look at it from a different point of view. If he had finally admitted that we do have a problem, being the highest per capita consumers of energy in this province in the entire world and that we must direct the full scope of government policy into doing something about that, one may justify this kind of action as part of that package. But that is clearly not the case.

This is only a device to slip through another cent and three quarters or two cents a gallon on gasoline, exclusively as a revenue-raising device.

Mr. MacDonald: Your actions speak louder than your words.

Mr. Grande: Justify yourself; you have to be accountable some time.

Mr. Peterson: I certainly don't have to address these braying hyenas over there on the issue. The issue is one that clearly we are uncomfortable with. We are not prepared at this point to have an election. When we are we will let the NDP know; because when we are we are going to win and they are going to be extinguished. Therefore, I say to them, it would be in their interest to support whatever the Liberal Party does at any given time, be-

cause we are going to keep their jobs a little bit longer than they will have them on their individual or collective merit—given that that isn't very substantial in either case.

I just wanted to make those two or three remarks because I am concerned about it. If this had been, again, part of a policy working with licence fees, working with certain kinds of taxes on energy—inefficient vehicles as opposed to energy-efficient vehicles, one could understand some kind of new policies in this area; but coming as it is isolated, coming as it is only as a revenue-raising device, I think on balance it is quite unfair, it is regressive, and in the circumstances highly inflationary.

I would just pass this on to the Minister of Revenue, who is a semi-decent fellow, and I would just ask him to take this message back to the Treasurer. He should use his good offices in cabinet to address the energy problem and he should look at the many aspects of it. If he comes back to this House with a concerted plan of action to cut energy consumption in this province to enhance the provincial balance of payments in the energy area, then he will probably have the universal support of the members of this House—even the real donkeys in the House, like the member for Hamilton, Hamilton East or whatever.

Failing that, I can just say only that I'm very disappointed. In other circumstances I would like to create an election on this issue, but it's not appropriate although we will in due course.

Mr. Makarchuk: Mr. Speaker, I listened to the last speaker from the Liberal Party prophesying a bright future for themselves. They seem to have forgotten the lesson of last night, that there isn't a Liberal government anywhere in Canada. King Canute over here is going to stand against the tide with his finger or something trying to keep it back.

Mr. Peterson: I would like to remind the honourable member we are the second largest Liberal caucus in this country, that's how great we are.

Mr. Makarchuk: That's how rare they are; we have to recognize the fact there is not a provincial Liberal government left in Canada and he is prophesying something for the future.

I would also like to point out to the House there was another occasion when a tax on fuel was introduced by this government. The matter did not come to a vote but it was withdrawn. I would like to point

out to the Liberal Party that if they had voted with us on the motion and the increase in taxes had been defeated, that does not necessarily mean it would have been a motion of no confidence in the government. The government still had the option to come back immediately after that vote and ask for a motion of confidence—

Mr. Wildman: As they have done before.

Mr. Makarchuk: As they have done before. The tax would have been withdrawn, the government would remain and there would not be an election. That option is still open to the Liberal Party, but the fact they have not taken that option says something about where the Liberal Party stands on this question.

I'd like to point out to the minister the result of the increase of fuel tax on rail transportation is something of concern to my constituents. They do not have the advantage of GO transport, which is subsidized to a great extent by the province, but have to use Via Rail to travel between Brantford and Toronto. I have had calls from them that perhaps Via is anticipating the increase and they have increased their fares from \$6 to \$8 for one day's fare, that's coming and going. That's a pretty hefty increase. I don't think it reflects the increase in the fuel costs, but that is what is happening and the people are quite upset about the whole thing. You have triggered off that kind of reaction by the railways in imposing this tax and it is causing hardships.

The other point of concern right now is that the big switchover from gallons to litres is going on at this time. The consumer is quite puzzled when he comes to the pumps and sees prices running from 18 point something to about 25 point something per litre. I suppose from the government's point of view if it is going to slip through a tax in such a way the consumer really doesn't know how much extra he's paying, it has selected an excellent time to do it. It's very difficult for the consumer to find out now exactly what he is paying in terms of what he used to pay when he was buying gas in gallons.

The other matter of concern evolved from watching the CBC program last night on the national election. After they told us all about the Liberal losses in PEI, they said there may be a minority government and there is a possibility that even Joe Clark may be Prime Minister. I could just see Ayatollah Loughheed sitting in the shadows in Alberta rubbing his hands with glee knowing that "let's-make-a-

deal-Joe" is the coziest thing he could possibly have in Ottawa to extract an additional amount of money from the people of Canada. He's probably looking with some type of envy to see what Ayatollah Khomeini can extract out of the people of this world.

[5:30]

I have no reason to believe that there has been anything in the past to indicate that Ayatollah Loughheed has any concern for the rest of the people of Canada. Could one imagine the boy from High River, who as I understand from a story in the Sun today couldn't figure out which is his spoon and which is his finger when he is eating clam chowder—

Mr. Deputy Speaker: Would the hon. member come back to the province of Ontario legislation?

Mr. Makarchuk: Yes, I am getting right back to it, Mr. Speaker. Could one imagine him trying to defend the people of Canada from an increase in the price of gasoline and oil? It's impossible to comprehend.

Besides the increase that this minister is imposing, I have a fear that we will have to deal with this increase that will come on in the future. It's prudent right now to oppose this increase because we can't take a chance on what's going to happen in the future. Let's deal with what we have right here. We have no choice but to oppose this thing at this time.

Mr. Stong: Mr. Speaker, I rise to speak on this bill to express the same type of frustration that my colleague the member for London Centre (Mr. Peterson), expressed. This bill is almost like trying to chase the tax collector off the front porch with a pitch fork. We are not really getting to the nub of the problem and yet it is frustrating enough to make one stand up and yell: "When is it all going to stop?"

The bill itself overlooks two very important aspects. It flies right in the face of an alleged or supposed policy of the government for conservation of energy. What happens is that the major producers in automobile industry invent a diesel engine. They put that diesel engine in a vehicle that Mr. Average Ontario can afford. I will come back to Mr. Average Ontario in a minute; he is the person who pays all the bills. Mr. Average Ontario buys a recreational vehicle to pull his trailer and to take his family on a vacation to a provincial park where the government has upped the prices so that he can't even get in. He wants to explore Ontario and what happens? The government increased his gasoline tax right at the pump.

Interjection.

Mr. Stong: The diesel tax. The government increased the tax on the diesel fuel that goes into this vehicle that has been converted to conserve energy to a diesel engine that he buys to have a holiday. He pays that extra money at the pumps every time he pulls up. He will be remembering the government. Mr. Average Ontario is the man who is paying the bills and who wants to enjoy this great province and what this great province offers, and the government put another obstacle in his path.

I say that this particular tax and the next bill indicate an insensitivity to the demands of the people in the province of Ontario, and they won't forget it. Our real difficulty in having to support this is tantamount to saying, "Why punch the cashier when the real culprit, the owner, is hiding in the back room?" In that sense we are forced to support it.

Mr. Laughren: Mr. Speaker, the position of this party has been put extremely well by my colleague, so I will be most brief.

Mr. Nixon: Go over it one more time.

Mr. Laughren: I would say without hesitation that I stand in opposition to this bill.

Hon. Mr. Maeck: You do? You promised me when you were sitting here that you were going to support it.

Mr. Laughren: It's a dumb tax; of course we are going to oppose it and we are going to divide on it. I know full well why the government knew that it could get away with putting this tax increase through. The Liberals have told us already they don't want an election. Therefore, I ask, is there anything that this government couldn't impose on the people of Ontario until the Liberal Party feels it is ready for an election? There is probably nothing that it couldn't impose that they wouldn't accept.

Mr. Nixon: We stopped the OHIP premium increase. You people have lost your credibility by this procedure.

Mr. Laughren: Then going into oil and gas: my goodness, the minister's federal colleague, Sinclair Stevens, had the definite line the other day I thought. He could have been talking about the Liberal policy on oil and gas pricing. I will paraphrase Mr. Stevens, the Tory finance critic, if I might—I understand he will not be that for long. I am paraphrasing and these were not his exact words, but he said giving the Ontario Liberals a voice in the pricing or the taxing of oil and gas is like asking the Boston strangler to straighten your tie. He wasn't

exactly referring to the Ontario Liberals, but nevertheless the point is this party in Ontario simply doesn't have a consistent policy on oil and gas except to support what the federal Liberals would do, namely to raise the price.

We have no hesitation whatsoever in saying we are opposed to this tax. We are opposed to it on any number of grounds. When you add this tax increase to the rent increases going on in Ontario; the liquor, tobacco, OHIP premium increases; the land transfer tax increase; the increase in transit fares and the price of food in the last year; the impact this has on public transit systems; the impact it has on rail service all across Ontario; the added burden for people in northern Ontario who must drive greater distances; and the failure to talk about conservation when it comes to the taxation of oil and gas; we have no hesitation in saying we are adamantly opposed to this bill. Therefore we are dividing on it, as well as the next one we will be debating in this chamber. This is simply another tax grab.

Mr. Deputy Speaker: Is there any other honourable member who wishes to participate in the debate? If not, the honourable minister.

Hon. Mr. Maeck: Well, Mr. Speaker, I will be very brief; I think we want to vote before six. All of the questions posed by the NDP have been answered by the Liberals, and all of the questions posed by the Liberals have been answered by the NDP, so really I have a soft touch here.

I really don't have much to say except that this, as I indicated in the last bill, is part of the overall package of the budget, and certainly it is to raise funds. Members opposite demand policy, they demand programs and somebody has to pay for it. We have to find it some way to finance and we have tried to find it in as many different ways as we can. We could have hit one sector or another sector for all of the money we needed.

Mr. Grande: You hit them all.

Hon. Mr. Maeck: So we hit them all for a little bit, right; and that is the only way a government can do it and be fair.

The member for Brant-Oxford-Norfolk referred to gasoline tax rebates. That really doesn't come under this particular bill but we may discuss that in the next one. It will give the member something to speak about on the next bill, he can repeat it.

I believe the member for Erie wanted to know if the fuel tax on railways included all railroad engines. It includes CN, CPR, ONR,

ACR and GO Transit, if they are on rails. It does not, of course, include railways within mine properties. Private railways are not included. It is on the publicly-owned railways.

Mr. Kerrio: What is the difference?

Hon. Mr. Maeck: The difference is one is public and the other is private. Our policy is not to tax private ones, it's that simple.

One of the things most of the Liberals have spoken about on several occasions is the fact we complain when the price of oil at the wellhead goes up and we criticize the federal government. I don't think we should stand back and allow our tax fields to disappear in order to allow them to raise the price of oil at the wellhead. We don't have to abandon our tax field because of that.

It has been a considerable time since any of these taxes were raised. The price of everything has gone up and there is no reason these taxes shouldn't go up the amount they have.

Mr. Peterson: Are they going to keep going up every year?

Hon. Mr. Maeck: No, they will not go up every year. They have not gone up every year. The gasoline tax has not risen since 1972. This one had a raise of one cent in 1978. So we have not been consistently raising fuel taxes.

The honourable members must remember that the federal government put a 10-cent excise tax on. I would not want the federal taxes to be confused with the provincial taxes. I want to be sure the right people are blamed, so do not forget about that 10-cent excise tax.

It is obvious that this matter has to come to a vote. I think I have answered most of the queries that were not answered by each opposing party as the debate took place.

The House divided on Hon. Mr. Maeck's motion for second reading of Bill 54, which was agreed to on the following vote:

AYES

Belanger, Bernier, Blundy, Bradley, Breithaupt, Brunelle, Campbell, Conway, Cunningham, Cureatz, Drea, Eakins, Eaton, Elgie, Epp, Gaunt, Gregory, Haggerty, Hall, Havrot, Hennessy, Hodgson, Johnson, J., Jones.

Kerr, Kerrio, Lane, Leluk, Maeck, Mancini, McCaffrey, McGuigan, McNeil, Miller, G. I., Miller, F. S., Newman, B., Nixon, Norton, O'Neil, Parrott, Peterson, Pope, Ramsay, Reed, J., Riddell.

Rotenberg, Rowe, Roy, Ruston, Scrivener, Smith, S. Smith, G. E., Snow, Stephenson, Sterling, Stong, Sweeney, Taylor, G., Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Worton.

NAYS

Bounsall, Bryden, Charlton, Cooke, Davidson, M., Davison, M.N., di Santo, Dukszta, Foulds, Germa, Gigantes, Grande, Isaacs, Johnston, R. F., Laughren, Lawlor, Lupusella, MacDonald, Mackenzie, Makarchuk, McClellan, Philip, Renwick, Samis, Swart, Warner, Wildman, Ziemba.

Ayes 66; nays 28.

Ordered for committee of the whole.

The House recessed at 6 p.m.

APPENDIX

(See page 1244)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

LAKESHORE PSYCHIATRIC HOSPITAL

17. **Mr. Breaugh:** Would the minister table the reports of the building inspector and the fire marshal for Lakeshore Psychiatric Hospital? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The following reports are tabled hereby:

1. May 3, 1978: Report by Manson, Consultant, Fire Prevention and Explosion Hazards, Ministry of Health.

2. March 7, 1978: Report by Taylor, Inspector for Etobicoke Fire Department.

See sessional paper 41.

43. **Mr. Breaugh:** Will the minister inform the House as to how many of the inpatients at Lakeshore Psychiatric Hospital will be transferred to Queen Street Mental Health Centre and how many to Hamilton Psychiatric Hospital? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: This question has been answered by my answer to question 73.

49. **Mr. Breaugh:** What provisions has the minister made for those patients in Lakeshore Psychiatric Hospital who do not wish to be transferred to an alternative facility? Does the minister have any figures on how many patients do not wish to be transferred? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: It is expected that all inpatients will transfer, and this should occur without great difficulty since much advance planning regarding patient transfers is taking place.

51. **Mr. Breaugh:** Will the minister tell the Legislature what portions of the Lakeshore catchment area he intends to turn over to Hamilton Psychiatric Hospital and what portions to Queen Street Mental Health Centre? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: County of Halton: to Hamilton Psychiatric Hospital. Previously, only half Halton West was included in the Hamilton Psychiatric Hospital catchment area. Transfer of half Halton East was transferred February 19, 1979.

York Region: to Whitby Psychiatric Hospital. Previously, Whitby Psychiatric Hospital was responsible for half East York Region and as of February 19, 1979 half West York Region was transferred.

West Half North York, Etobicoke, Peel: to Queen Street Mental Health Centre. Half West York Region was transferred February

19, 1979. Etobicoke and Peel are expected to be transferred at midnight of May 14, 1979.

52. **Mr. Breaugh:** What is the minister's estimate of the number of inpatient beds that Queen Street Mental Health Centre can make available: (1) without relocating any current programs; and (2) with relocation of current programs? What programs would have to be relocated in order to obtain more inpatient beds? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The number of inpatient beds that Queen Street Mental Health Centre can make available without relocating any current programs, 166.

The number of inpatient beds that Queen Street Mental Health Centre can make available with relocating current programs, 292.

The figures are subject to change as a result of the transfer of North York and the psychogeriatric patients from Lakeshore.

Programs requiring relocation are:

1. The Adolescent Services (Inpatient and day-care). This continues to be under review with Ministry of Community and Social Services.

2. The day-care component of two adult self-care programs, serving the western and eastern parts of the Toronto catchment area.

3. One day-care program (Community Care Centre), serving the Northern Toronto catchment area.

4. The psychogeriatric day care program serving the Greater Metropolitan Toronto Area.

Note: Two of the adult day-care programs will be relocated to other parts of the hospital; the psychogeriatric day-care program has already been relocated within Queen Street Mental Health Centre and one day-care program (Community Care Centre) is expected to move into the community.

73. **Mr. Breaugh:** Will the minister table the plans for the transfer of patients from Lakeshore Psychiatric to Queen Street Mental Health Centre and Hamilton Psychiatric Hospital? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Maximum number of potential patient transfers to Queen Street Mental Health Centre was 215.

To date five patients have been transferred to Hamilton Psychiatric Hospital, 39 patients have been transferred to Queen Street Mental Health Centre and three patients have been transferred to Whitby Psychiatric Hospital.

77. **Mr. Breaugh:** Would the minister provide a breakdown on the locations of the 100

job vacancies that are currently being advertised at Lakeshore Psychiatric Hospital? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: There are currently 44 job vacancies being advertised at Lakeshore Psychiatric Hospital and they are located as follows:

Civil Service

Ministry of Health	
North Bay P.H.	1
Queen Street M.H.C.	5
London P.H.	3
Hamilton P.H.	1
Penetang M.H.C.	3
Lakehead P.H.	1
Whitby P.H.	2
Queen's Park Branch	1
OHIP	10
Laboratory Services Branch	1
	—
	28
	—
Ministry of Housing	1
Ministry of the Environment	1
Ministry of Community and Social Services	1
	—
	3
	—

Other

Clarke Institute	1
Princess Margaret Hospital	3
Central Hospital	3
Sick Children's Hospital	4
Bellwood's Park House	1
St. Michael's Hospital	1
	—
	13
	—
Total	44
	—

As of April 17, 1979.

78. Mr. Breaugh: What are the minister's plans for the future of Lakeshore Psychiatric Hospital and its grounds? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Ownership of the hospital and its grounds is vested in the Ministry of Government Services.

Future use of the property is being considered and the government has decided that it will be retained for public use.

79. Mr. Breaugh: On what grounds did the ministry decide to close Lakeshore Psychiatric Hospital rather than Whitby? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: It was decided to close Lakeshore Psychiatric Hospital rather than Whitby Psychiatric Hospital because of the proximity of excellent facilities at Queen Street Mental Health Centre and Hamilton Psychiatric Hospital and because of the quality and number of outpatient services in the Lakeshore catchment area, which will be enhanced as announced by the minister.

PSYCHIATRIC HOSPITALS REPORT

80. Mr. Breaugh: What was the total cost of the role study of Toronto's psychiatric hospitals (the McKinsey report)? This cost should include salaries, travelling expenses, costs of computer time, cost of ministry advisory staff, et cetera. [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Cost of \$116,500 is total payments to McKinsey and Company to produce the report. Ministry involvement included the following:

Steering committee of seven senior ministry staff; data collection by Data Development and Evaluation, and SMAC, of the ministry; data collection by the three hospitals involved; meetings with clinical staff at the hospitals involved.

Cost of ministry involvement cannot be calculated, but no significant extra expenditure was incurred.

MINING EXPLORATION

137. Mr. Foulds: How many mining exploration ventures were in progress in Ontario on March 3, 1976; March 31, 1977; March 31, 1978; and March 31, 1979? Would the ministry list the names and locations of these exploration ventures? [Tabled April 10, 1979.]

Hon. Mr. Auld: Because of the volume of material involved in the preparation of answer to question 137, we will require additional time to submit our response.

The final answer will be ready on or before April 30.

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No. 30

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Tuesday, April 24, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 24, 1979

The House resumed at 8 p.m.

MINISTRY OF EDUCATION ACT

Hon. Miss Stephenson moved second reading of Bill 19, An Act to amalgamate the Ministry of Colleges and Universities and the Ministry of Education.

Mr. Sweeney: It is somewhat of an irony or coincidence—however you want to look at it—to realize that on April 22, 1964, almost 15 years ago to this date, the Honourable John Robarts also stood in this Legislature and introduced for the first time a bill to create a department of university affairs. Here we are, 15 years later, for all practical purposes dismantling that as a specific individual department. I am not sure whether that is progress or regression. I hope before the night is over we might have some sense as to whether in fact we are really progressing.

It is also interesting to note that although there was a department of university affairs set up in 1964, both the Ministry of Education and this new department, the former then called a department as well, were under the jurisdiction of one minister, the present Premier (Mr. Davis), up until and including 1971. It's difficult to know for sure just why, at that point in time, there were two ministers appointed; perhaps it was the method that our present Premier used to suggest that nobody else could quite fill his shoes. It is, certainly, a tribute to the present minister that since 1971 she is the first one that anyone has suggested might be able to fill those shoes. I think only time will tell whether in fact this new minister will be able to continue to look after what are considered to be two very large areas of jurisdiction within this province.

The other point we should note, historically, is that when the community colleges were first set up, they came under the jurisdiction of the Minister of Education and were not part of a colleges and universities ministry as they have been until very recently. It was only some time later that they became part of the post-secondary institution.

I make these observations only to point out that the trail leading to this legislation tonight has been a rather long and tortuous one, and certainly has not been without a great deal

of questioning. It is with that sense of questioning that I want to continue this evening.

At first glance, Bill 19, An Act to amalgamate the Ministry of Colleges and Universities and the Ministry of Education, appears to be a rather simple administrative procedure. Certainly it is well understood by members of this caucus that any government at any level, including this one, has the right to so arrange its affairs, the right to so structure its administrative procedures as to run the government as it sees fit. We don't quarrel with that.

Consequently, since that is really about all that's in this bill as it is printed, we're going to support it. We are not going to oppose it because we believe that in the democratic process the government of the day has the right to structure its affairs as it sees fit.

We want to raise a number of questions, however, and we want, and I want at this point in time, to strongly suggest, strongly point out, that we believe this bill should go to committee. There are far too many unanswered questions; there are far too many aspects of this bill that will cause, create and result in questions that are not answered in this very slim bill that we have before us.

Therefore, on the one hand I am pointing out we intend to support the bill because it is appropriate for the government to so arrange its administration, but we are also pointing out that we believe there are a lot of unanswered questions, particularly as the minister herself chose not to take the opportunity to make an opening statement. We still don't know for sure exactly what she, or her government, has in mind.

We believe there should be an opportunity for the public, particularly that part of the public concerned directly with education—I'm talking about students and parents, and more specifically, the educational community in our school boards and our colleges and universities—to have some input. While on the surface this appears to be a fairly simple piece of legislation, in fact it should, and could, make some very fundamental changes to the way in which education is structured and processed in this province.

I would say to the minister that if in fact there aren't going to be some fundamental and significant changes in the way in which

education is operated in this province, then this bill is a sham. If it means nothing at all, if nothing is going to change, to improve; if things aren't going to be better a few years down the line as a result of it; then it is a sham, it is simply a pretence at doing something when in fact nothing will be done at all.

The minister is well aware that my caucus was charged about a year and a half ago with the responsibility of investigating this whole issue. It was charged with trying to come up with the advantages and the disadvantages as to whether we should have a merger or an amalgamation or whether we should not. The minister is aware of that. In most cases the minister has received most of the material that was made available to me.

I want to address myself to that point for a couple of reasons. The first is that when we started we found an absolute dearth of any information whatsoever from any source as to what were the advantages and disadvantages of a single versus a dual ministry. Here are a couple of the places we contacted. First of all, the Ministry of Colleges and Universities library has only copies of different speeches, nothing else. We went to the Ministry of Education's library; they had nothing. We went to the Ontario Institute for Studies in Education's historical collection; it has nothing. We went to the archives library; it has only speeches of the then minister in 1964. In other words, all of the sources—the Ministry of Colleges and Universities, the Ministry of Education, the Ontario Institute for Studies in Education, the historical archives—had nothing on record to indicate the advantages or disadvantages of a single system versus a dual system.

The next thing we did was go out into other jurisdictions. We went to several provinces in Canada. When I say we, I should say it was through the good graces of a contract we arranged with the Ontario Institute for Studies in Education, headed up by Dr. Richard Townsend, that these kinds of investigations were to a large extent carried out. I want to say at this time we were indeed very appreciative of the assistance that Dr. Townsend and the Ontario Institute for Studies in Education gave us. I think it has already been clearly pointed out we did that under a contractual arrangement; that question at one time was raised in this House.

Nevertheless, we did go to other jurisdictions to find out what their experiences were. We wanted to ask those which had a unitary system what their experiences were, and those which had a dual system what their experiences were. We particularly wanted to speak to those systems which had switched

from one to the other to find out what their experiences were. We also went to American jurisdictions.

I think, not surprisingly, we discovered that whatever mode of operation was in existence at that time in any jurisdiction was the one that particular jurisdiction felt was best. If it was unitary, that was the best thing in the world; if it was dual, that was the best thing in the world. We shouldn't have been surprised at that, and we really weren't, once we considered a little bit longer. The only difficulty was it didn't help us very much. It didn't really help us to decide whether or not here in Ontario we would be better off if we had a single system rather than a dual system; so therefore we had to do some digging on our own.

First of all, we sent out a questionnaire to the various educational bodies across this province—to all the school boards, chairmen, directors; to all the colleges and the universities; to the heads of the students' associations; the faculty associations, the staff associations, the administration and the presidents' offices most certainly. We asked five questions as an initial survey, and I would like to read those. The first question was this: "Are the reasons given in 1964 for creating two ministries still valid today?" The reasons given in 1964 by the Honourable John Robarts for setting up a distinct department of university affairs may have had some validity 15 years ago, we weren't in a position to question it one way or the other. What we were trying to find out was whether it was still true today. Have conditions changed sufficiently that maybe it is no longer valid to have two ministries and one might be preferable?

The second question we asked was—can we justify the administrative costs of two ministries, given the shortage of funds for educational purposes? Quite obviously we were trying to discover was there any evidence, any evidence whatsoever, that the number of dollars totally available for education in this province could be used more wisely with one ministry or with two; we didn't know the answer to that. We still don't know the answer, quite frankly, and we will bring that up a little later, but we think it was a legitimate question to raise, particularly given the shortage of funds available for all social services in this province in this day and age.

[8:15]

Our third question was: given that 80 per cent of post-secondary students come directly from the secondary schools, will the needs of students be better met within a single, unified ministry? And that is perhaps the key to the whole thing. More than any-

thing else, what we need to look at, what we need to assure ourselves of, is that the needs of students, the students who pass from one part of this educational system to the other, are going to be better met under a single Ministry of Education rather than under two.

Our fourth question was—and this is one we received a great deal of feedback on: is the educational process for adolescents and for adults so different as to require two ministries? There has been a lot of speculation—and I am sure the minister is aware of it—that we are even dealing with two different kinds of people. Whereas in the Ministry of Education we are dealing for the most part with children and adolescents who have to attend school on a compulsory basis and who pretty well have to take a fairly common core of curriculum all the way through, on the other hand we are dealing with adults who, first of all, don't have to attend; whose needs are in many cases very different; who to a large extent have a much wider choice of what they are going to study and the purpose for which they are going to study it.

What we are trying to get at is that on the surface that appears to be true; there seems to be some rational logic for it. But is there really that kind of break in the educational system?

We have often asked ourselves if there need be that kind of break between elementary school and secondary school. The ministry of this government has on a number of occasions said that it is hesitant about the existence of that sharp line. It is still there; the members know it as well as I do. So we are asking ourselves—one step further: is it necessarily true that there needs to be that kind of an administrative and legislative break between the secondary school and the post-secondary institution, particularly given the findings of something like the *Interface* report?

The minister is well aware of the in many cases damning indictments of the lack of co-ordination and the lack of liaison between the secondary schools and our post-secondary institutions. There are numerous examples of where students have fallen between the chairs. Where on the one hand the secondary school board has said, "We do what we think is best for our students," and the colleges and universities on the other hand say, "We do what we think is best," in both cases they are probably right for their own purposes. But what they seem to forget over and over again is it not the secondary school teacher or the university pro-

fessor who has to bridge the gap, it is the student. It is the student who has to find his way between what are frequently two very different sets of philosophy, two very different curriculum bases, two very different evaluation techniques—where they exist at all. I only want to quote one short paragraph from this because it is in my judgement the highlight of the whole report:

"On the other hand, the degree to which secondary schools vary in the marks they award for comparable performance is substantial enough to affect whether or not a student is accepted into a post-secondary institution."

That was proved, time and time again—that from one secondary school to another the variation between what the post-secondary institutions demanded for admission was, even when you had two students of comparable ability and comparable achievement, sufficient to allow one student to get in and not the other. That shouldn't happen in Ontario where we say that we have equality of educational opportunity.

I don't want to go on too much longer, but I do want to share with the minister some of the results of our survey. What are some of the things that came back to us? What were some of the reasons people supported the possibility of merger?

Some of them I have mentioned I will repeat, but basically there were lack of liaison and co-ordination, rationalizing funding, and that with growth slow-down separate ministries may not be needed. Most other jurisdictions—this is something we had not realized in the beginning; Ontario is really somewhat unique in North America and as a matter of fact in Europe. There are relatively few dual educational jurisdictions; in most cases education is a unitary jurisdiction, the whole concept is continuous education.

This one came up time and time again: a need to restore public credibility. Maybe that alone to a certain extent justifies what we are doing. There are an awful lot of people out there—students, parents and employers—who really are asking deep, searching questions about the effectiveness of education in this province. Some of their perceptions may not be accurate, I am not prepared to argue that one way or the other, but the minister knows as well as I do it is the perception upon which they base their decisions. That is important; perhaps for no other reason, we need a significant change in this province to show people we are prepared to re-examine where education is going. Maybe, just maybe, this unitary

system will help to restore some of that credibility. We are going to need other things as well and I will come to them in a few minutes, but maybe that is a good step.

What were some of the things they were concerned about? I think the minister already has the reports to know that there were some very deep concerns. There were pros and cons all the way down the system. The universities in particular were deeply concerned; we will get to that in a minute. They were talking about the qualitative difference between children and adults—we have already mentioned that one. The universities fear the loss of their autonomy and being submerged in this larger system.

The one that came up time and time again—perhaps it is an overriding fear—is that this new ministry would be so big, so unwieldy, so unresponsive, particularly to those people who had some sense that maybe they were just getting through from time to time.

I would suggest to the minister there are a number of serious questions that still are not answered. The first one is the one we just mentioned about the universities.

By the way, before I go on, I want to go into a little bit of history again, just to show that some things really never change. I mentioned earlier that in my judgement the bill was far too brief and told us far too little about the minister's intentions. I am looking at an article by Bascom St. John of April 27, 1964. I want to read two short paragraphs. He was referring to the fact that more detail needs to be given.

"That is not so. This bill is extremely brief and the only function it is to have—and that is permissive, not obligatory—is to determine the amount of capital expenditure.

"By this prospective act the Ontario government does not commit itself to any policy with respect to university affairs. Nor does it outline what the field or limits of authority of the new department may be."

That is the same position we find ourselves in today. The minister is also bringing forward to us a new piece of legislation, but we really do not know what her long-range plans are. We really do not know what she intends to do with it. That gives us some pause for concern. That is one of the reasons we say this should go to a committee; there should be the opportunity to explore the matter there, unless the minister is going to give us a very detailed response this evening, and I have reason to wonder at that.

Let me come back to the concern about universities. I think their concerns and their fears—yes, I think we can use the word "fears"—are quite legitimate. They really can see themselves being submerged in a much larger ministry. Just take numbers alone. In our elementary and secondary schools we have almost two million students. In our universities we have something like 140,000 or 150,000. That factor alone could cause them to be submerged. The whole possibility of threatening their autonomy is something that has been going on time and time again.

I noticed that the Honourable John Robarts made this observation on April 22, 1964, at page 2333 of Hansard: "Now, I would repeat here, Mr. Speaker, what I have said on many other occasions in this House, that in no way is it our intention as a government to interfere with the traditional areas of academic freedom that are possessed by our universities, or the freedoms in which they have grown up and developed over the years."

At the same time we know there have been numerous occasions when the universities have sensed that their autonomy in one way or the other has been infringed upon by this government, particularly in the funding mechanism; that is, the very fact that they are now so subject to the government for their funding and the very fact that the government can say, "There will be more graduate programs" or "There won't be more graduate programs," or "You can do more building" or "You can't do more building." I don't mean to suggest that the universities don't have the power to go out and do all those things on their own if they can raise their own money. We both know that's not the case.

A classic example was when the ministry decided it was going to demand that foreign visa students were going to have to pay double and in some cases triple the regular tuition fee: 14 out of the 15 universities who responded to that said they didn't think it should be done. There was only one which thought it was a good idea. Yet one by one they fell by the wayside, they had to give in, because from a purely economic financial point of view they could not resist the will of the government that this was the way it was going to be done. When it meant they were going to lose sums of \$300,000, \$400,000, \$500,000 in lost tuitions or in lost grants, whatever the case might be; they collapsed one by one.

I think the universities have reason to be suspicious and concerned I know this gov-

ernment and this minister's predecessors have not come down in any direct or, in many cases, observable way and said, "You shall do this in this way." There are lots of other ways of pulling the strings.

Very recently—and the minister is quite aware of it—there was a great concern at Fanshawe College about the degree to which her predecessor influenced—and I use the word "influenced"—the chairman and the vice-chairman of the board to dismiss the president of that college. The minister knows the story behind it as well as I do. It's those kinds of things; they're subtle, they're indirect, a lot of people don't talk about them, but nevertheless they're here. The universities have a genuine reason to be concerned.

The question I have to leave with the minister is, what is she going to do about that? How is she going to respond to that concern? What is the process of the operation of this new merged, amalgamated ministry going to be? For example, is she going to set up a separate branch to look after university affairs to respond to some of their concerns so they won't get lost in the shuffle? And if she does that, may she not be defeating the whole purpose of the amalgamated, merged ministry? I would like to know what the minister's response to that is. I would like to know how she is hearing those concerns and what she intends to do about them.

I can tell the minister right now that if she really wants this thing to succeed, if she really has some sense that things are going to be better and that students are going to be better served, then she has to hear that concern, respond to that concern. She must show in very clear terms how she is going to deal with that situation. Simply saying, "It'll work itself out; we'll look after that some way," is not going to work.

[8:30]

That raises a second question. I know and the minister knows that there is no clear-cut program; there are no clear-cut research projects; there are no clear-cut definitions as to whether or not one ministry is better than two.

I also know that the decision made by the government was taken over a relatively short period of time, and I would really be interested in knowing what criteria it used. What criteria did the Premier take into consideration, did the cabinet take into consideration, did the minister take into consideration, to decide that now was the time to have a single ministry? What did the government base that on? I really would like to know that.

I have a vague suspicion that the minister really hasn't got the whole act put together, that she is, to a certain extent, going on a wing and a prayer hoping that this will work. She has a sense that this is the better way to go and therefore she's going to start going that way and make up the ground rules as she goes along.

I would suggest to the minister that if that is the fact, she's heading into really rough waters. Surely, at this point in the history of education in this province, the one thing we need above all else is a clear statement from the government, from her ministry, as to exactly where they see themselves going.

Mr. Nixon: Down the tube.

Mr. Sweeney: What are their goals, their aims, their purposes? This has come up time and time again in the estimates of the ministries. We have always received vague answers—vague answers because I don't think they really know. And I would suggest that most of the problems out there in the education field—in our schools, in our colleges, in our universities, in the perception of parents and students and employers and in the perception of teachers—are due to that fact. There has not been a clear statement from this government as to exactly what education means in this province, what are its purposes, its goals, its aims, especially in the long run.

When the Organization for Economic Cooperation and Development, the OECD, came through the province in 1976—I know they were only here for a short period of time—and looked at what was happening here, it was rather startling that the one observation they made so very clearly was the lack, in their judgement, of any kind of long-term plans or goals for education in this province.

They went on and made a fairly prophetic statement. They said it is the experience of government everywhere that that ministry that least knows what it's about, where it's going, suffers first in the economic crunch. And that's happening with this ministry. They are suffering.

I wonder if the reason is that within the cabinet, when decisions are made about all ministries, about where this government is going and where the priorities are, in the past the Minister of Education and the Minister of Colleges and Universities have not been able to state clearly what they were all about—what education was all about in this province; where the individual human being, the student, fitted into the picture;

where the needs of society fitted into the picture; where the long-term social goals that we are at least trying to achieve fitted into the picture. I don't think they've been able to say that.

Obviously, the minister is quite welcome to respond to that. I would only point out that here we have a golden opportunity to look once more—maybe in many ways to look for the very first time—at what we're all about, and to say that we're going to have a single Ministry of Education in this province for these reasons—here's what we want to accomplish.

Just as a simple example there is the whole question of accessibility. The minister knows and I know that by the time students reach the ages of 18, 19 and 20, when they're thinking about whether or not they may go on to university or go on to a community college, for many of them it's too late. The minister knows the social arguments as well as I do. She knows the social reasons as well as I do. Many of these students have to be discovered and motivated and encouraged and supported, in one way or another, much earlier than that.

If we're really going to have a genuine hope, a genuine vision that all students in this province really will have equality of educational opportunity, that the best and the brightest minds we have, regardless of their economic background, regardless of their social background, are the ones who are going to get into our institutions of higher learning and really contribute, not only for their own sake, but for all of society's sake, the minister knows as well as I do that we've got to start picking them up earlier. Here's a golden opportunity for us to take a look at that kind of thing.

I would suggest that when we have one ministry and when we see a complete flow of students through that entire ministry, we're going to be able to look at that much better than we do now. I'm suggesting to the minister that we don't do it now.

Yes, I know we have student aid programs by the time they reach the post-secondary level. I know that we take a look at what the tuition does, but there are a lot of other factors that we really don't take into consideration. We don't start early enough. Surely, through this, we can start early enough.

I want to raise a couple of questions which I think have not yet been answered and which I believe have to be answered, and perhaps they can be at the committee stage.

What process will be established to motivate greater co-ordination? Just setting up

a merged ministry isn't going to be enough. The minister has enough experience, both in government and outside of government in various organizations, to know that as well as I do. Just saying that it is going to happen; just saying that it should happen, isn't enough. What processes has the minister devised to see to it that the kind of co-ordination we want to happen, the kind of liaison we want to happen, is more likely to happen than at the present time?

We have the silly situation right now where we have the colleges and universities under one ministry and the lack of liaison between them is a scandal. We have the situation right now where the Minister of Colleges and Universities quite openly admitted about a year ago that in trying to get this trades training program off the ground he was having great difficulty with his colleague in the Ministry of Education, even convincing him of the worthwhileness of it. I know eventually he started to come around a little bit; maybe that's why they changed ministers, I don't know. But we need some evidence of the process that the minister is going to use.

What evidence do we have that there will be any economic changes whatsoever? Are we going to spend more money? Are we going to spend less money? Are we going to get less for more? What's going to happen?

There has been some speculation, I understand, among the members of the government that because it merged the two ministries it is going to save money. I have serious reservations as to (a) whether it will save money; and (b), whether or not that would be a good reason to make this kind of a move. If the minister can demonstrate it we'd certainly like to hear about it.

Precisely how will the liaison between the secondary schools and the post-secondary institutions be set up and assured of greater success? How will funding arrangements within the two ministries be changed at all? That's one of the concerns. The way in which elementary schools are funded in this province, compared in the way in which universities and colleges are funded, is quite different. What changes, if any, are going to be taking place? What is the minister contemplating in that whole area? What will the merger mean for the accessibility of bright, but economically poor, students? How are we going to address that point I discussed with the minister a few minutes ago? Is it going to be any different, or is it going to be business as usual? Is it going to make any difference? I don't know.

What kind of liaison is going to take place, for example, between counselling at the secondary school level, the elementary school level—where we have very little of it in most cases, as the minister is well aware—and the post-secondary institutions? I think the minister is well aware of how concerned we are about the paucity of counselling at the present time. When we have ratios of 300 to 400 students for one counsellor, not very much is going to happen in terms of career decisions.

I was in the Ottawa area—just outside of Ottawa; Carleton, I guess—a couple of weeks ago, and I happened to meet a counsellor from the high school and I asked him, "What's the ratio?" He said, "We have 650 students in our school and there is one and a half counsellors." There is no career counselling that has any hope of taking place under those circumstances.

Where does that leaves us? It leaves us with a piece of legislation which on the surface holds some hope, some promise. It is a piece of legislation which gives us very little detail. It is a piece of legislation which raises far more questions than it answers. It is a piece of legislation which has caused a great deal of consternation and concern and even, at some levels, fear in the educational community of this province.

All these things have to be addressed. Otherwise, there is not going to be any positive change. In fact, we may end up worse than we were before. That should not be allowed to happen. The opportunity is here. We need to send this bill, in addition to other things, to committee to give the public, and particularly the educational public, an opportunity to present their concerns and to hear the minister's answers.

I would urge the minister at this particularly opportune time in the education history of this province to take advantage of the opportunities being presented to her. I urge her not to let them go by.

Mr. Cooke: Mr. Speaker, I will try to be relatively brief. I want to start off by mentioning to the minister that I am very disappointed that in the process of this bill being introduced and debated and discussed in this province, she didn't see fit to give certain documents to the opposition critics, namely, a document entitled *The Ministry of Education, Ontario: A Plan of Organization*, plus other information that the ministry has prepared, to demonstrate to members of this Legislature and to the people of the province who are involved in the two levels of education exactly how she plans to go about im-

plementing the amalgamation of the two ministries.

It was very poor taste on the part of the minister and the ministry not to share those documents with us ahead of time. It might even have prevented the necessity for this bill going to an outside committee had she done so. In her typical arrogant way, she decided to ignore the opposition critics and not to give that information to the people who are very concerned with a piece of legislation which I consider to be very important.

I found it very difficult to come to a decision on whether to support this bill. I wonder, on the one hand, whether the ministry and the government are implementing this amalgamation as part of its overall plan to shrink the size of government and to cut back and restrain, or whether they are really implementing this to co-ordinate the two systems, the post-secondary system and the elementary system.

There was no opening statement by the minister: which was another mistake, I think. There has been no demonstration at all that there is going to be any better co-ordination between the two systems. I have to believe that the only reason the government is doing this is to shrink the size of the system, and it is another indication of a further lack of commitment to the education system in this province. That is a fear of many people at both the elementary and secondary level and the post-secondary level.

However, I believe there is a certain logic in amalgamation to the two ministries if it is done in the proper way and if the whole amalgamation is taken advantage of, not just here in Toronto, but all across the province as well. Therefore, the minister will have to indicate to us tonight and, when it goes to committee, to the delegations that are interested, just how this plan will benefit the students in our system; how will it make the system of education from kindergarten right through to the post-secondary level benefit the students in the classroom, and not just the administration of the system.

I agree that education should be a continuum, and I personally believe it should begin before kindergarten. That is why our party has said on several occasions that day care should be under the Ministry of Education, because it really is a form of education.

It should be a continuum from day care right through to college, university, or before then, or to an apprenticeship program or some other type of program.

[8:45]

While I believe there is a certain logic, I do have some very strong reservations

about this legislation, and I look forward to a comprehensive explanation by the minister of exactly what she intends to do and how she sees this benefiting education all across this province.

I think we have to look at some of the problems that are presently in the education system to understand whether the minister and one ministry can cope with the problems. There are very significant problems facing education at all levels right now. The elementary and secondary system is faced with declining enrolment. The Jackson commission was set up by the minister and has made its report and made some very significant recommendations, some dealing with funding and many dealing with the ministry itself and more involvement at the elementary and secondary level with boards.

The minister and the ministry to this point have not responded to the Jackson commission and have not implemented some of the very important recommendations on funding. As a result, what has happened is that school boards are closing schools almost on a weekly basis. Staff are being laid off, both support staff and teachers. Just to give a few examples, I understand that Hastings has laid off 50 teachers. Ottawa expects 140 positions to be cut this year and Sault Ste. Marie may lose 26 teachers. All across this province, teachers are being laid off. We're not really taking advantage of an opportunity to decrease the class size because the government has not responded to that very important document, the Jackson commission recommendations.

At the post-secondary level, very significant problems are also surfacing and have been for the last couple of years. The participation rate back in 1967-68 was 10.9 per cent of our 18- to 24-year-olds. It had reached a maximum in 1976-77 of 14.7 per cent and has since declined to 13.9 per cent, where it is now. Even though the number of 18- to 24-year-olds is on the increase and will be, I believe, until 1982-83, the participation rate in our post-secondary system is on the decline.

It is a problem that has not been addressed by the ministry. I consider it to be a problem. I think we have to take some very drastic steps to get young people and older people involved in the post-secondary system who are not our traditional students, in other words students from low- and middle-income families. We've never attempted to do that. In fact, the ministry has never gone into developing a comprehensive study to find out why we have the type of

students we have in universities. There's a lot of data available, but there's very little research to indicate why the system is the way it is.

I know that the ministry has said in the past that it's a sociological problem, but other areas, like Saskatchewan have made an effort to get students from low-income families into the system. For example, I understand there is a law program in the University of Saskatchewan that went into the native communities, set up a special program, got those students in to the law program and developed lawyers from that. I think that's an example of a type of program that we need to implement here in this province in many of the professions which have very few low-income students in them. I'd like to ask the minister again how will this amalgamation of the two ministries benefit the low-income students of this province who have traditionally never got to even the higher grades in the secondary level.

With the decline of participation at the university and college level, we are on one hand facing that problem and on the other hand a decline in the funding by the Ministry of Education of our universities and colleges. While the ministry has said in the past that there isn't a decrease in funding, the fact of the matter is—and I've quoted these figures before, but I think they are worth repeating again: This year Brock University, for example, only got an increase in operating grants of 4.9 per cent, whereas the inflation rate is running around nine per cent. Brock, as the minister knows, has very special problems because it's a small university. Trent, another small university, only got 2.3 per cent increase in its operating grants this year. I went to visit that institution and, as I'm sure the minister knows, that institution has very serious financial problems and these will get worse.

As a result of the lack of funding, layoffs are occurring, class sizes are increasing, programs are being cut and courses are being cut. One of the very serious problems that the minister will have to address is that if staff continues to be laid off, if faculty continue to be laid off, then what is going to happen is that the Canadian staff, who have been hired over the last few years to go along with the guidelines the ministry set up a couple of years back in order to increase the Canadian faculty, are the first staff that are going to be laid off because of seniority. Also, any advances that women have made in our universities on faculty will also be turned around.

That's a problem the minister has to deal with. I just wonder whether she is going to be able to deal with that, along with the problems at the elementary and secondary levels. It's a very big system, a system that's experiencing many problems.

The Ryerson problem, which has been raised in this Legislature during question period and which I raised again during my contribution to the throne debate, is a very serious problem. It is our only polytechnic institution in this province. The minister has to deal with that problem very quickly, because, as the president, Mr. Pitman, has said, that polytechnic has very serious problems. The equipment is aging. The faculty-student ratio is increasing. We are in grave danger of losing the quality of that institution, which all across this country, and I would suggest all across this continent, has a very high reputation. So one must ask, is it reasonable to expect one minister to be able to cope with all those problems.

The skilled trades issue has been raised in this Legislature over a number of years, and in particular in the last week. Last year the former Ministry of Colleges and Universities introduced a new program, the employer-sponsored training program. That program obviously has not taken off the way the government wanted it to because the present minister is now saying that a new program will be implemented and that more work will be done in order to upgrade skilled trades training in this province. That's what she has been saying in the House in the last week.

Hon. Miss Stephenson: No; in addition.

Mr. Cooke: I realize that it is in addition. I read over the statement of last year by the former minister. If last year's program is going to work, as he suggested it would in his original statement, then this minister wouldn't need to put new programs into place. We told him last year in committee that it wasn't adequate and that it wouldn't fill the need.

I also wonder whether the amalgamation of the two ministries will develop down at the local level. Will school boards start talking to universities and to colleges and vice versa? Even colleges and universities in the same city have not really on many occasions sat down and come up with a community program to meet the needs. Just recently, St. Clair College and the University of Windsor finally sat down, and I believe they have either signed an agreement or they are about to sign an agreement. That has taken many many years to develop. I wonder whether we need some kind of a local committee that consists of representatives of colleges, univer-

sities and local school boards to develop programs and to identify the needs of a local community. I wonder if this amalgamation can be or will be transferred down to the local community so that it will identify and implement the programs to meet the needs of those communities.

As I said, the skilled trades are something of particular concern to the members of this party. I wonder if the minister can cope with what again is a very serious problem, along with all the other problems that are facing our educational system right now. Will the minister be able to devote enough time to learn the problems in Windsor, in Thunder Bay and in Toronto, where there is a great need for skilled tradesmen, so that she can identify the problems and then put new programs into place?

Recently a report was developed, from a P. S. Ross study, on tuition. We expect that after a period of feedback the government will be announcing a new program of tuitions, probably this fall. That is a very significant document. The policies that come out of that document will be very important to all students across this province and will have ramifications for accessibility. I feel the minister is going to have to meet with groups all across this province; students, faculty and interested groups, labour unions, all of them people who are very interested in the accessibility of our post-secondary system. Is the minister going to have enough time to meet with all these groups and to get adequate input in order to develop a government policy and a political policy of how tuitions will be implemented in this province?

I want to read a small newspaper article that appeared in my paper, the Windsor Star, on June 25, 1978, which demonstrates some of the concerns the boards of education are having across this province. It is self-explanatory, so I will read it:

"Was the Minister of Education, Dr. Bette Stephenson, snubbing her nose at Windsor again? Wednesday night, Windsor board of education chairman Dr. Marcel Picard told trustees the board has been trying in vain for about a month to meet with the minister."

Hon. Miss Stephenson: On June 25, 1978, I was not Minister of Education.

Mr. Cooke: I am sorry, January 25, 1979. I can't read my writing:

"Dr. Picard said the board was dealing with ministerial arrogance. Education director Robert Field estimated that the board had made six calls to the minister's secretary to try to arrange a meeting, without success."

That is the type of thing I am worried may happen. Groups that have been able to meet with the Minister of Education in the past, now will not be able to.

Hon. Miss Stephenson: I had two meetings with them since.

Mr. Cooke: It took quite a long time for them to arrange that meeting and it was a problem that needed the minister's immediate attention. It is funny, I was at a meeting where a number of trustees from school boards were asked about this. At the same time there were people from the university sector at that meeting. The university people were talking to me and saying: "We used to be able to call the minister's office and get immediate feedback. Now we can't, because we feel she is spending too much time on the elementary and secondary levels." At the same time, the trustees were saying: "We used to be able to call the Minister of Education and get immediate feedback, but we can't do that any more because she is spending too much time on university and college problems." I say that because the perception people have is it is going to be a big ministry, it is going to be difficult to manage and the minister is not going to be able to give the proper attention.

A good example of the problems that will develop or may develop, and have already developed, occurred last year in the Ontario Student Assistance Program. I originally raised the problem in this Legislature when we were called back to deal with the back-to-work legislation for the Toronto transit workers. I believe that was in September. The minister was aware there was something going on, but said it was going to be overcome and it was not a serious problem. I raised it again in October and November. Finally, in late November, I believe it was November 30, two and a half months after I originally raised it, the minister recognized it was a problem. Let me quote from one of the things she said in the House:

"The first inkling I had that the student awards officers were disturbed or disrupted in this area was a letter which I received from them, which I first saw yesterday afternoon."

That was on November 30 she made that statement. That meant the first she knew of the problem was November 29, even though I had raised it in this Legislature two and a half months previously. There was a newsletter that apparently was going out from Mr. Butler, who was the president, I believe of the student awards officers at that time, to Mr. Clarkson. Mr. Clarkson

reports to a couple of other people and eventually the deputy minister reported to the minister. I just wonder why, on such a very serious and important program, in order to ensure some degree of accessibility to post-secondary education, the minister would not have been aware of that. Why would she not have had time, after a member of the Legislature raised it with her, along with the Ontario Federation of Students and others, to look into that problem and report back to the House and get action much sooner than she did? Unless it was an attempt to cover up, and the minister said at the time that it wasn't, I can only assume she was not aware of the problem and did not have the time to deal with it.

We think the concept of amalgamating the two ministries is a logical one in theory; in practice I have some very deep concerns.

I understand interest groups in this province, the Ontario Federation of Students, for example, opposes the amalgamation; whereas OCUFA, the Ontario Confederation of University Faculty Association, says there should be an experiment and we should try this. There is a very differing point of view. Not even all the school boards in this province agree on whether or not we should amalgamate the two ministries.

I believe the problems facing the two ministries are very significant. Before we make a final judgement on this legislation, we have to have, as a Legislature, the very deep understanding of all the problems facing not only the post-secondary system, the system I am most concerned with as critic, but also of the elementary and secondary school problems.

[9:00]

I think we have to have, as my colleague the member for Kitchener-Wilmot said, an understanding of the philosophy of the government on education and the direction in which we are indeed heading. I want to be assured by the minister that this is not a move just to get along with constraints, and a backing off of its commitment to education. I want to be assured by the minister it is a move that will benefit the students in the classrooms and benefit our education system, which is a pretty good system now but needs a lot of improvement.

I think the only way we can deal with that is to have this legislation go to an outside committee. I would suggest the social development committee is the most appropriate one. I think that will give the oppor-

tunity to students to come and speak to us about their problems. It will also give the boards of education and the post-secondary institutions an opportunity to come before us and talk about their problems, so we can better understand whether they can be dealt with in one ministry.

We will support this bill on second reading in principle, and then we will insist this bill go to an outside committee for public input.

Mr. Nixon: I am very glad to take part in this debate, Mr. Speaker. I was the critic for the official opposition 15 years ago, or whenever the bill creating the new ministry was put before us. I did not read—well actually, I read Hansard and I found the Hansard speeches were so interesting and well researched and entrancing, I could not get past the first page. The same may be true of what I have to say tonight.

However, I was very impressed by the remarks made by my colleague, the member for Kitchener-Wilmot, and the critic for the NDP, the member for Windsor-Riverside. It has been quite an interesting discussion; I will look forward to hearing the rest of the debate and what the minister has to say, because she is one of our favourite debaters. We really agree in some respect with Mr. Manthorpe when he says she just cannot help but wheel out the howitzers whatever the occasion. So we are looking forward to that exchange of heavy artillery a little later.

I was interested to look at the Hansard for the day on which the bill received second reading, Tuesday, May 5, 1964. The honourable members might be interested to know that question period that day consisted of one question from the member for York South (Mr. MacDonald), notice having been given. That was the extent of question period.

The other interesting thing is the debate on the bill—and this was when the Premier was his own House leader—had by arrangement been undertaken on the estimates so there could be an exchange of questions and comments without the more formal atmosphere of dealing with the bill on second reading.

We were also asked to approve a bill establishing the university capital aid commission, so both were really discussed by way of the estimate debate. It turned out to be a useful and flexible way to deal with the bill. When the estimates were completed, the bill was moved for second reading by Mr. Robarts and approved without direct debate at that time.

I can remember feeling very strongly we should not establish a separate ministry at the time. The caucus view, and a proper one,

and it was certainly consistently expressed by my colleague, even now these many years later, was that the government has the responsibility and the right to establish their administration in the terms they see fit. We can be critical, but essentially we feel the Premier, with whatever advice he takes, really has the right to establish the arrangement of his cabinet and the ordering of the responsibilities as he sees fit.

The argument at the time, and one I felt much concerned about, was that establishing a separate ministry would constitute and might very well develop an intrusion into the autonomy of the university system. I felt very much that if there was a minister dealing exclusively with university affairs—and the colleges as they came a bit later—that he/she would perhaps have too much time to interfere into the day-to-day administrative responsibilities of the individual institutions.

I think there has been that, to some degree, but nothing that concerns me unduly, probably no more than there would have been if there had not been a separate ministry.

You recall that for a good deal of the time, 15 years or whatever it has been, the Minister of Education has also been the Minister of University Affairs, so that the two were more or less brought together at the top anyway. It's only been in recent years, when the Premier (Mr. Davis) has been desperately looking around for ways to reward the people he persuaded to run for him under difficult circumstances, that he had to find these jobs and the separation took place. I'm not sure whether it was good or bad, but I really did feel there was at least one too many people in the cabinet.

Just as an aside, I can tell members that I am very enthusiastic in support of the bill. I've always felt the cabinet was too big. I was in a position at one time where I was immodest enough to think privately in terms of how I would like the cabinet arranged. The idea of sitting at the head of a cabinet table with 28 or 27 people around it—even if you did have a carrot in one hand and a whip in the other—I found daunting. I thought it would be far better to reduce the number of ministries perhaps to 15, and if you had to have ancillary people at another ministerial level that would be all right.

In my own mind I thought myself that correctional services should be thrown into education as well. I'm sorry the member for London South (Mr. Walker) isn't in his seat, he just left it a minute ago but I believe he will be taking part in the debate. I felt then

the context of looking at correctional services as an extension of our responsibility for education would be a healthy aspect.

I don't feel the minister has to take a day-to-day interest in direction of the administration of the jails or the schools or the colleges. The fact that some ministers do **that doesn't in my view make them admirable** in their responsibilities. I prefer to think of the ministers dealing at the policy level and co-ordinating, along with their colleagues, the overall approach, both budgetary and otherwise, that is directed by the Premier.

More than one speaker tonight has indicated some concern that perhaps there's some attempt to save money by this amalgamation. This does not concern me. As a matter of fact I welcome it. I for one am going to be looking for at least a small reduction in overall staff—you'll only need one chauffeur surely, although with the timetable the honourable minister keeps maybe she keeps one in reserve. But there should be surely some savings in this connection. Important though, that may not be; certainly I don't want to be looking for a way to save money at the expense of the quality of the program that's been developed over these many years.

Thinking back to the debate in 1964 I still feel the alternative we proposed—although as I say we did not oppose the bill for reasons already mentioned—the alternative we proposed was to copy the example set by the government of the United Kingdom which had established a university grants commission based on the recommendations of, I think it was, Lord Robbins at the time. As critic I was very interested in reading some of these recommendations, because all jurisdictions, including the United Kingdom and here in Canada, were facing a tremendous rate of growth, a huge commitment, really an unexpectedly large commitment to the universities.

The idea was that the government of the day would take whatever advice they found necessary, including surely the views of the members of the Legislature, and allocate a sum of money, hopefully on a continuing basis so that the people receiving the money would know five years in advance, within certain guidelines, what would be available. Then a university grants commission would allocate the money to the various institutions depending upon the programs and the judgment of the commission. In this way the minister of the day would not have the direct responsibility of saying to university A this you may do and this you may not; and to university B and C the same sort of thing.

One area where perhaps some of our dollars were utilized in a less-than-perfect way was maybe in the—not in interference in the day-to-day operation of the universities, but for example the feeling that Leslie Frost was more interested in Trent University than he was anywhere else. It is a marvellous university. My daughter graduated from it, and I'm very proud of her and what they've done up there; but I have the feeling it was the darling of the then Premier.

Following that, the same thing happened up in London. That ivy-covered university architecture that should have been built in 1932 and was in fact built in 1967-68. When you look at those limestone walls which are 12 feet thick that John Robarts was able to garner for London, you can see that perhaps more than other universities at the time the University of Western Ontario was the favourite of the Premier, if not the Minister of University Affairs.

My son is graduating from Western this year—I trust and hope. I am very proud of the fact he went there. My wife graduated from Western. I have many fond memories of the institution.

Hon. F. S. Miller: Only father failed.

Hon. Miss Stephenson: No, he went to "Mixmaster" instead.

Mr. Nixon: Since you mention it, and since the minister, as usual, is confusing anybody who might be listening to her, I did go to McMaster University. I can recall, as a student there, when McMaster was totally funded from tuition and from the commitment of Baptists as well as other interested people, that the then-member for Brant rose in the House, when money was being allocated to universities, and said, "Why can't some money go to McMaster?"

At that time I was his third kid who had gone to McMaster and he was a little concerned that he had to pay such a large share of the tuition when people going to other institutions were getting the advantage of the largesse, the handouts, that were growing in sort of an indiscriminate way, from the government of the day.

The next day the chancellor of the university, who under those circumstances was also the chief administrative officer, called an assembly of all the staff and all the students to criticize the temerity and ignorance of the former member for Brant who had called for the provision of some money for McMaster University. He said, "We will never accept public dollars because we would not have the freedom to teach as we see fit"—actually,

to teach under the jurisdiction of the Baptist Convention of Ontario and Quebec.

I think it was about a year later they saw fit to take their first million. Since then the money has fire-hosed into McMaster, with the building most recently of one of the pet projects of the minister, the medical centre, which was a cool \$100 million for the first development. God knows how much has been channeled in there since. It's a world-class institution, and probably one of the more serious financial blunders this government has made over these many years.

I say this in the absence of my colleague and leader who is on the staff of the university medical centre and who may want to express somewhat different views on the matter.

I felt at the time it was a strong and visible alternative to a separate university affairs department, as it was then called, and that for a university grants commission to be established would keep the government out of the university's day-to-day business and remove from politics the decisions on the allocation of money. That in no way would prevent us, as members of the House, from expressing our views. I felt at the time it would keep the ministers and the Premiers and others who might want to take a special and personal interest in the evolution of certain specific parts of the university system on the straight and narrow, because I don't think they should have interfered quite as much as they did.

That was not the case. The ministry was set up. I felt at the time the approach and the duplication of staff and the expansion of cabinet was not in the best interests of efficient government, at least as I envisaged it. I am frankly and personally very glad indeed that we are now putting the education responsibility back in one ministry.

One of the phrases used at the time, 15 years ago, was that education was being decapitated by removing the universities and putting them in a separate department. I felt that was quite significant.

[9:15]

The member for Windsor-Riverside said he believes education should be a continuum. I agree with that entirely. Even the idea of it going well below kindergarten is something I would hope the minister would give some consideration to. But we in this party have agreed with the concept of daycare facilities being provided, when it is possible, by the educational authorities, whatever they may be in the future, and at the local level. This would obviously involve the treasury of the province to a degree that

we would hesitate to contemplate now. I see the Treasurer isn't even contemplating it, so it's a matter that would be of consideration probably after the government changes in the near future.

The matter of the reorganization of the education system has been with us for a long time. The member for York South doesn't happen to be here tonight. In his remarks on the introduction of the bill, or its debate on second reading, he indicated that he wanted a royal commission looking into all aspects of education to go along with the establishment of the new ministry. For my part, and I spoke ahead of him—that was during one of those periods when we were the official opposition—I felt that we should have a full review of post-secondary education. We were making very far-reaching commitments to the concepts of colleges and huge allocations of money to the expansion of a post-secondary system that was being done with more ad hockery than I care now to really admit.

We were quite supportive of the government policies then, both in Mr. Robarts' time, when he was Minister of Education—and even when he was Premier he continued as Minister of Education—and then the present Premier, who took on that responsibility following Mr. Robarts' resignation from the ministry. There were, in my view, very interesting debates in the House at that time when we were still talking about quality of education and not spending all of our time talking about the dollars and cents aspect, important though that may be.

The contention put forward by my colleague, the education critic for the official opposition, is one that really must concern all of us. That is, once again we are at a point where education is changing and whether we know it, or whether we direct it or not, it is changing dramatically. Certainly the changes in the numbers of students are precipitating part of this, but there is an entirely new attitude towards schools and towards the responsibilities of school boards and I would hope that the minister would undertake to take the lead in this Legislature, or the committee that will be examining this bill, so that we will have an opportunity to review at least some of these aspects. It's been suggested by very knowledgeable people that sending this bill to a committee, particularly if it is approved in principle by all parties—I'm not sure that I understood the NDP correctly, but I gathered they're supporting the bill—

Mr. M. Davidson: Yes, we're not voting against it.

Mr. Nixon: Since the bill is being supported in principle it's quite possible that the committee hearings could be expanded to some extent, although I'm sure the Conservative whip would turn tail if we suggested any more committee work. It would give us an opportunity, not only to hear from people outside the Legislature but even the members of the committee dealing with the bill, so we could have a debate, I hope a useful one, which would assist the minister in setting the goals that all of us want to achieve in the education system of the province.

Without talking about the budgetary aspects, Mr. Speaker, there is no doubt in my mind that education is the prime responsibility of this Legislature. It is the most important thing we deal with and I am, for one, very glad indeed there will be one minister talking about education goals, policy and administration, and not two. I think it is going to be an advantage for education in this regard that if, by any chance, the post-secondary level is somehow lost or submerged in this huge new ministry, the fault will be as much that of the individual members of the Legislature as anyone else's. I don't like the idea of the minister of the new large ministry, or any other division of it, having too much to do with the day-to-day decisions in the actual education plant, if I can use that phrase, and I hope that she keeps out of that.

But I do think in the past number of years we have failed in our responsibility to give adequate direction in terms of goals to the education system in the province. We have fostered a very expensive and elaborate administrative system which somehow has insulated the actual classroom and the school situation from us and from the parents. We seem to have lost touch with it. I regret that very much.

I, for one, feel we have established the most expensive education system in the world. I am not prepared to say I feel it is the best. I would hope with a new minister, in my opinion well-motivated although in the opinion of teachers and others already in some difficulty, we members of this House can, perhaps not assist her but participate in the establishment of these goals and improving the system in a way that would be significant.

Mr. Isaacs: Unlike the honourable member for Brant-Oxford-Norfolk I did go to Western. I spent four years at that institution and never graduated. I learned a lot of things at that distinguished institution, not least of

which was how to deal with the likes of the honourable members opposite.

In my mind this is a very important bill. The future of our education system in Ontario hinges upon the amalgamation of the two ministries proposed in Bill 19. I am amazed, therefore, that the minister has what I can only describe as the audacity to avoid making introductory remarks on second reading and to explain to this House and the people of Ontario why the government wishes to merge the two ministries at this time. I can only assume it is based on the usual premise we hear from the other side that bigger is better; that is a premise I do not accept.

During a recent election campaign with which I am rather familiar, I was accused of being a centralist. But nothing I support, nothing my party supports, could be as centralist and at the same time as ducking in responsibility as some of the things we see from the other side.

Ever since the two ministries have been operating under a single minister, things, as I have been informed by many people who have close contact with those two ministries, have been running in a much worse fashion than they were previously.

Things particularly in the Ministry of Colleges and Universities had reached a reasonably smooth operating system, but that now has disappeared. Even the letters advising the universities this year of the 1979-80 operating grants were somehow lost in the bureaucracy that is set up. If that is what we are going to get more of under this bill, then I think it important we take a very close look at it and make sure those sorts of problems do not arise.

I have a report that is headed Ministry of Education, Ontario: A Plan of Organization, April 1979. For reasons which completely escape me, that report is marked confidential. It seems to me incredible that an organizational structure, a plan such as this that lays out the goals of the ministry and the structure of the ministry, should be kept from the members on this side and kept from the public concerned about the way our education system operates.

On page one of the report there is a paragraph headed The Goal—not goals, not objectives; not what are we trying to achieve; but The Goal, just one. That goal talks about ensuring that educational opportunities of recognized quality are made available—not educational programs of the very highest quality, not educational programs of the kind the people of this province deserve, but educational programs of recognized, average,

so-so sort of quality. We don't need that kind of thing in this province.

The Goal goes on to talk about what I interpret as accessibility, and if that is what is intended then I praise it because it had appeared to me that over the past year or two the objective of accessibility had disappeared, particularly from the post-secondary education system of this province. I believe that accessibility is very important, but it must be accessibility to an excellent educational system, not accessibility to a system in which students don't have the opportunity to learn because the money isn't provided to the institutions to provide the resources for the students.

On page nine of the report, it sets up a division which it describes as policy liaison and legislation. It is very unclear from reading this document what that division is intended to do. It includes a great raft of liaison between organizations, lumping university groups and COU and OCUFA with student groups and the universities and university authorities beyond Ontario and so on, and ending up with the Council of Regents and the Ontario Council on University Affairs.

It seems to me there needs to be some structuring, some establishment of priorities, some definition of roles for those various groups. I'm particularly concerned about the direction being taken by the Ontario Council on University Affairs, because I'm not sure that it understands where it's going; and I'm even less sure that the minister understands what its role is in post-secondary education in this province.

On page 11 of the report, it explains that there is to be no change in the university affairs division. Yet if one reads the rest of the report, one realizes that all of the present responsibilities of the university affairs division are described under some other new division. I therefore wonder what it is the university affairs division is going to continue to do and how it fits into the overall picture of post-secondary education planning in this province.

Then the clincher, as it were, comes right at the end of this report, in which it sets up a thing called the senior and continuing education programs branch. It's a beautiful title, although it's not at all clear to me exactly what that branch is supposed to do. Among the many tasks that are assigned to it are things like the development and operation and the mechanisms for the systematic review and evaluation of post-secondary programs. If it is expected that the ministry will be moving into that kind of thing in

the future, then maybe we're making some progress, but it will certainly be a big change in the role that the ministry has been taking in post-secondary education to this date.

That division is also to establish province-wide program objectives for post-secondary programs. If that can be interpreted as meaning that the ministry is to move into setting direction for the universities and colleges of this province, then that too is a major change in direction. If it's not, then I wonder exactly what that branch is supposed to do, especially when the text goes on to talk about recommending curriculum for post-secondary programs, developing province-wide policy for continuing education and things of that kind.

There is undoubtedly merit in the Bill 19 before us at this time, but I don't want it to be a carte blanche ticket to the minister to allow her to railroad whatever she wants into not only the primary and secondary education programs of this province and not only the post-secondary education programs in this province but into every single education program in Ontario. I believe this must go to committee so that we can study it, so that we can delve into these things and so that we can listen to submissions from all groups across the province that have interests in our education system.

Finally, I think it's important that we find out exactly what is on the minister's mind with regard to this bill.

Mr. Foulds: It's a pleasure to participate in this debate and to be speaking on matters educational once again. A few years ago I had the honour and pleasure of speaking on education perhaps more times than I wished. Since undergoing a change in responsibilities I haven't spoken on education to any extent, but certain things about this bill intrigue me. [9:30]

One of these things I would like to speak about first is the flagrant abuse of the Legislature by this minister and this ministry in its refusal to comply with standing order 32(c). I read to you standing order 32(c), Mr. Speaker: "On the introduction of a government bill, a compendium of background information shall be delivered to the opposition critics. If it is an amending bill, an up to date consolidation of the acts or acts to be amended shall be delivered to the opposition critics unless the bill amends an act amended previously in the session."

To the best of my knowledge—and I have done as much research as I could this evening—no such compendium was delivered to the critic or the leader of the Liberal Party.

No such compendium was delivered to our critic or to the leader of the New Democratic Party.

Mr. McClellan: She didn't even make a leadoff speech.

Mr. Foulds: And the minister, as my colleague from Bellwoods just points out, refused to make an opening statement about the purpose of the bill.

Mr. Grande: Refused.

Mr. McClellan: Typical. Typical.

Mr. Foulds: My colleague from Wentworth has pointed out that there is an internal government document entitled Ministry of Education, Ontario: A Plan of Organization, April 1979. The minister has not even had the courage to table that with the Legislature, even though it is my understanding it has been widely circulated both within the ministry and outside the ministry.

It is also my understanding that there have been a series of bulletins, called education integration bulletins, which have not been forwarded to the opposition critics or to the leaders of the opposition parties. I would think that itself would be a matter of courtesy when we are discussing, on second reading, the principle of the bill—whether or not we should support the integration of the two ministries. I consider that, Mr. Speaker, a serious breach of the rules of this Legislature.

I have no strong feelings about whether the ministry should or should not be integrated, but surely if we are to discuss this bill intelligently in this House on second reading, the background information, the background studies, if any, that the government has done, should be made available to the legislators. How can we pass legislation that makes any sense or with any informed comment unless we have some openness on the part of the minister and the ministry? I cannot for the life of me understand the secretiveness with which the minister has proceeded with regard to this bill. I simply do not understand it, unless of course the minister doesn't understand the rules of the Legislature, which, of course, is an understandable thing because she—

Mr. Makarchuk: Maybe she has a totalitarian predisposition.

Mr. Foulds: —doesn't consider the Legislature of any great importance. Maybe that's one thing that has happened to the ministry itself; the ministry has grown so large and so authoritarian—is that too strong a word, Mr. Speaker? I ask your guidance on that—that it has forgotten that its ultimate responsibility is to this Legislature.

There are a couple of points my colleague from Wentworth pointed out with regard to the proposed structure in that document. There are two that I would like to point out that bother me considerably. They are under the heading The New Organization, pages two and three of the version of the document that we have. There are seven major points made, with some subsections: "The organization is designed to achieve policy co-ordination" et cetera—all the usual nice things we hear.

One of the things that disturbed me when I read through this Ministry of Education document was the language, the bureaucratese. There was no inspiration in it; there was some not bad grammar, but certainly nothing in it that would make one consider it a well-written document.

I point out, just for the edification of the Legislature itself, that one of the points that is made—point (c)—is that the organization is designed to "meld like units from both agencies"—that is, presumably from the Ministry of Colleges and Universities and from the Ministry of Education—"and form new units in a way that causes a minimum of disruption to personnel and roles."

"Like units"! I ask you, Mr. Speaker, what kind of a noun is that for someone in the Ministry of Education to be using? No wonder the education system is in such disrepute across the province when it comes to the use of the English language.

But to more substantive matters: The points that bother me, and the points about which the minister and the government and the ministry have not been frank, are only touched upon in this document. I would like to see brought before the committee of the House that considers this bill the documentation and the examples they are referring to.

One of the reasons that is given for the organization design is that it will be designed to "(f) rectify a number of organizational difficulties that emerged within the former Ministry of Education." I would certainly like the Legislature and the public of Ontario to be informed of what those organizational difficulties are and were, and exactly what steps are being taken in the design to rectify those organizational difficulties. I would assume that the term "organizational difficulties" is a euphemism for what we might call, in a more vernacular term, an educational mixup—

Mr. Nixon: You can be more vernacular than that.

Mr. Foulds: Thank you for not letting me step beyond the bounds of parliamentary language.

The other point from this document that I want to deal with, point (g), is a point that has been alluded to by the Liberal education critic as well as the two previous speakers from our caucus and the House leader for the Liberal Party. It is the point about whether the major reason for the amalgamation is educational or financial in nature. The only reference I can see to that in this document—and I admit I have not had time to read it thoroughly—indicates to me that the major reason is simply to make it look as if they are going to save some money; not necessarily to save money, not necessarily to improve delivery of programs, but to make it look as if they are going to save some money.

Mr. Makarchuk: It's known as spinning wheels.

Mr. Foulds: Exactly.

The organization is designed to "(g) create the possibility"—"the possibility," Mr. Speaker—"of a positive response to the necessity for restraint in government expenditures; cost savings were the motivation behind the special program review recommendation that a merger be considered." I want to know whether it was the government's view that cost-saving is the motivation behind the present merger or amalgamation. Those are fundamental questions that have not been addressed in public by this most secretive of ministers. Those are questions that have not been addressed by this government. I suggest to you they are questions that must be addressed by this Legislature for the public, in committee of this Legislature, before there is the passage of this bill in any way, shape or form.

I might suggest it is not merely the educational establishment that should be consulted about the amalgamation of these two ministries. I suggest it may be about time that in a very real way we in this province involve the public, the parents of this province, in the design of its Ministry of Education and in its school system. Maybe, just maybe, this bill would be a good place to start.

I just want to conclude by paraphrasing a very fine poem by F. R. Scott, in honour—not in honour really, in memory of William Lyon Mackenzie King, because we have gone, sort of, full circle with this ministry. We have had one ministry, we have had two ministries, we are now back to amalgamating them into one ministry.

Mr. Makarchuk: Is that a reincarnation?

Mr. Foulds: In the poem entitled W.L.M.K., F. R. Scott says of Mackenzie King that his motto was "to postpone, postpone, abstain."

"He seemed to be in the centre because we had no centre," not unlike this minister.

"No vision to pierce the smokescreen of his politics." I say, no vision in this ministry to pierce the smokescreen of its policies.

"Truly" this minister and this ministry "will be remembered wherever men honour ingenuity, ambiguity, inactivity and political longevity."

"Let us raise up a temple to the cult of mediocrity."

"Do nothing by halves which can be done by quarters."

Mr. Speaker: The member for Oakwood.

Mr. McClellan: Is nobody from the government going to speak to this bill at all?

Hon. Miss Stephenson: When you finally decide you are finished.

Mr. McClellan: That is nice of you, to deign to speak to the bill. We really appreciate that.

Hon. Miss Stephenson: It is not to deign at all; I am simply waiting patiently.

Mr. Grande: Mr. Speaker, I appreciate the little bit of time that I have because I am, as is everybody else in this Legislature, all ears to listen to the minister give us the reasons why this amalgamation is necessary; necessary, I hope, in terms of educational reasons, in terms of a comprehensive planning process for the whole educational process from kindergarten to the PhD.

Quite a few years back we decided that the school system needed to be amalgamated from K to grade 13. We went through those processes. As a matter of fact there are still some boards in the middle of that process at this particular time. Now the minister is asking, through this bill, that the amalgamation should be from K to the PhD.

[9:45]

I am not willing as other members in my party to say to the minister that this bill is acceptable and this bill should go to committee, because I am really very sceptical of this process. I want to find out the reasons behind it because I suspect the tendencies of this particular government are nothing else but centralist and dogmatic even though they want to talk about other parties in this Legislature as being centralists. I will not repeat the word that the Minister of Education used the other day for fear that I would have to take it back.

As a matter of fact, the amalgamation of these two particular ministries will indicate that, while the government uses the rule of divide and rule, as far as Ontario is concerned, in this particular case the government is using amalgamation in order to control. That's exactly why I'm suspicious of this particular bill.

There's another reason also. The phenomenal bureaucracy that exists right now within the Ministry of Education and the Ministry of Colleges and Universities will become that much more complicated. When a member of this Legislature gets up at his seat to ask the minister a question and make the minister accountable for a particular program, the minister will find ways to suggest; "I will look that up" or "I will speak to my staff and let you know."

There is a rule, which I am sure the minister heard before, that small happens to be beautiful as far as this party is concerned while big and centralist is the direction of that party opposite. We know from away back the former Treasurer who said that big is what we're supposed to be, encouraging our industry to become big, because there is a saving in funds of money when an organization is a giant and is big. I do not agree with that basic premise. I happen to think the smaller an organization is, the more that organization is going to be responsive to the people in need or the people who need those particular services of that organization.

In education, we're talking about decentralization. I want to mention another particular reason. Then the minister will have her opportunity to get up and speak, and I want to hear what she has to say. This reason is much more disturbing. The Minister of Education at this particular time has a budget of close to \$2 billion. The Minister of Colleges and Universities spends approximately \$1 billion to \$1.5 billion a year.

When these two ministries are joined together, then we will have a ministry that is supposedly going to be spending approximately \$3.5 billion a year. We've heard the Minister of Health (Mr. Timbrell) getting up in this Legislature and going around this province suggesting we spend so much money on health and somehow that is a reason for increasing OHIP premiums. I wonder if one of the purposes of this particular amalgamation is for the minister to be able to get up and to say, "Look, we're spending \$3.4 billion or \$3.5 billion in education."

By getting involved in that kind of thinking or using those particular figures, the minister will have people in Ontario believe that the budget for education is away out of

kilter. Therefore, that will provide a further excuse and a further reason for this government and this ministry to get involved in its politics of restraints.

Hon. Miss Stephenson: Nonsense.

Mr. Grande: Education used to be said by this government to be its number one priority. God knows, how many times I have heard in the past three to four years about education being the number one priority.

Mr. Lupusella: It's also the best in the world, according to the government.

Mr. Grande: When I take a look at the budget figures, starting in 1959, I find out that the amount of funds that goes to the Ministry of Education for 1979-80—and indications are that for the year 1980-81 there is going to be a further cutback—is approximately 14 per cent of total government expenditures.

With all this talk about education being the number one priority, Mr. Speaker, you won't believe, I know, that the government spent 14 per cent of the total budget of this province on education back in 1959. That was at a time when the budget of the whole province wasn't even \$1 billion.

So how is education the number one priority in this province? The Minister of Education and the former Minister of Education in the three years I have been in this Legislature have not shown me that education is the number one priority.

A further reason for my being sceptical about this amalgamation—and the minister is aware of it—is that the Committee on the Costs of Education, which was set up by the ministry, and the late Robert Jackson's report that came down about four or five months ago, spoke precisely to a particular point that said the Ministry of Education is incapable of any planning whatsoever in this province. The Ministry of Education attempts at all costs to shift the cost of education to the municipalities, and the shift has gone far beyond what those two reports said it should.

If the Ministry of Education, which spends approximately \$2 billion a year in transfer payments to school boards, is incapable of doing the long-range planning, as both these major reports say—second only to the Hall-Dennis report back in the late 1960s—I'm just wondering when the amalgamation takes place what kind of planning will go on in that giant ministry.

I remain sceptical. I would like the Minister of Education to suggest to me reasons why I should support this bill, even though my colleagues have been able to persuade me that by this particular bill going to a standing

committee of this Legislature certain points that the members of this Legislature have brought forward and some of the points I've brought forward here tonight will be aired so that we'll find out exactly what's on the mind of the government.

I want to conclude by saying to the minister, who happens to be here, that the fact that she did not have an opening statement at the introduction of this bill for second reading really tells the tale. I came here rather late as I was on an errand tonight. As a matter of fact, I was responding to some of my constituents who have been calling my office for exactly the reason this minister knows and knows well, namely, the cuts in the heritage language program.

I'm suggesting to the Minister of Education that she hasn't seen the end of that. Before September 1, 1979, rolls along, she is going to be taking back those particular destructive changes that she has made. If she believes in the box office and the number of letters that will be coming to her office, if the number that have come up to now are not enough, just wait for another 15 to 20 days.

I thank you very much, Mr. Speaker, and I will cut off here to allow the minister to tell us what this is all about, after all.

Mr. Wildman: Mr. Speaker, I rise to participate in this debate because I'm concerned about what the reorganization and the combination of these ministries may mean for educational opportunities in the northeast, especially in Algoma and Sault Ste. Marie.

We have a struggling but vital college in operation in the Sault. It serves Algoma and Sault Ste. Marie. I'm disturbed by some of the comments that have been made recently by officials of the college, and by others, and I know there have been discussions with the minister. Previously, when the college was threatened with closure, the Ministry of Northern Affairs, acting upon suggestions by myself and others, came to our assistance. But I would like to know what this change means for the future, whether the minister can tell us what the combination of the ministries will mean for Algoma, in terms of overall planning for education right to the end of the university level.

A statement was made earlier this year by the dean of Algoma College to the city council of Sault Ste. Marie in which he stated that unless the college was able to persuade the Ministry of Colleges and Universities to relax its restrictions on the college's program, Algoma would continue to face enrolment and financing difficulties.

The college wishes to move, I understand, into more business and commerce programs

as well as to some courses in the arts at the honours level. I am concerned about what this change will mean in terms of this particular project. I understand there have been discussions but I don't know what is happening with them. For instance, there is a need to persuade this government to provide funds for more programs and courses that carry BIU weights greater than 1.0. We know when the college was established there was an agreement that that wouldn't take place. I'll admit that that's true. However, what was proposed in the 1960s doesn't necessarily mean that changes can't be made in the 1980s.

The minister has been sympathetic to the problems and difficulties in Algoma, but I wonder if the civil servants in the former ministry, or what will be the former Ministry of Colleges and Universities, are as sympathetic as the minister to the problems of the college. I would hope if there is a change, an adjustment in structures, it may also produce a change in adjustment in the philosophies of the people involved in that ministry so that we can get some further assistance for Algoma.

In the wider sense, I hope that the ministry will consider for the whole of the northeast some kind of regional university system. Perhaps a university of the northeast which will adjust the whole approach to Laurentian and other colleges operating in the area; to give a better image, for post-secondary education to the students who are involved in the elementary and secondary levels so that they won't all leave.

[10.00]

They will be able to stay in the north longer in completing their full education; there will be the various courses necessary for them to do that available near their home communities so that we can cut down on the cost to them and provide better educational opportunities for all the people of the north, and of Algoma and Sault Ste. Marie in particular.

I would like the minister, if she could, to comment on what this change would mean, if anything, for this particular problem.

Mr. Bounsall: Mr. Speaker, I might say I will be echoing, for just a minute or two, some of the remarks made by other speakers with respect to the background papers that were not produced regarding this bill.

On page 10 of the standing orders under which we govern ourselves, section 32(c), on the introduction of a government bill, says:

"A compendium of background information shall be delivered to the opposition critics."

Let me say, as education critic, when this bill was brought forward I certainly expected to have rather voluminous documentation crossing my desk indicating all the preparatory work that led to this government making the decision that these two ministries would be combined; all the justifications, all the cost savings that would be involved by so doing, all the philosophical reasons for that merger, and so on.

I checked both with our research staff and I rather hassled my legislative assistant a bit over the last couple of weeks, as nothing crossed my desk, as to why it hadn't. Was she sure? "Look up everything that had a Ministry of Education letterhead," I told her. Nothing came in.

I finally figured that the day before we got the bill we would receive a compendium that would at least be the ministry's justification of the reasons it took the step of joining these two ministries.

Mr. Lupusella: No way.

Mr. Bounsall: Needless to say, nothing has come. I expected, of course, in the absence of any of that, the minister would have a rather detailed opening address as to why this was taking place. Here we have a bill that merges the ministries. We are wondering what the merger is all about and why, what are the positive reasons for the merger that the ministry can give; yet the ministry remains and has remained absolutely silent.

Tonight at 10 minutes to nine it came into my hands, this document marked "confidential"—heaven knows the reasons it is marked "confidential"—a plan which is the plan of organization.

Hon. Miss Stephenson: You must have marked it "confidential" because it is not marked "confidential" on ours.

Mr. Martel: It is on mine.

Mr. Bounsall: If the minister didn't mark it "confidential," this is the minimum document that should have been tabled before the debate on second reading took place.

Mr. M. Davidson: You had better check somebody.

Mr. Bounsall: I understand that under these circumstances we could demand compliance with this section and stop the debate until all of those background papers are tabled—I am sure this is not the only one—but we don't intend to do that.

I might say to you, Mr. Speaker, that after the vote on the bill has taken place tonight, maybe you would consider referring the question of why this matter, and I am

sure other background materials, were not tabled, to the procedural affairs committee. I leave that in your hands to determine whether that would be the appropriate thing to do.

However, if this was just somehow an oversight on behalf of the minister's staff, and this is the way in which this merged ministry is going to work, then heaven help us and save us from this merger. If this is the way this merger is going to operate, where clear legislative directives are not followed and not pointed out to the minister—and those documents, every single document related to merger and the reasons why, any memo sent to anybody, were not tabled as background information before this debate took place—if that is a staff fault, if that is the kind of fuzzy work that is going to come out as a result of this merger, then heaven help this merger.

Looking at the one minor document we have in our hands, it is kind of interesting. In the introduction it says this document is designed to provide a discussion mechanism for all staff working in the field towards a final documentation of goals and objectives. Here we have an admission in the introduction of this paper that there have been really no well-thought-out goals and objectives. Certainly if there are, there's no documentation of them. This is to kick off a discussion for staff working in the field towards the final elucidation and documentation of what the goals are.

So here we have a bill to merge two major ministries, two ministries that expend a considerable amount of the moneys brought into this province, in which there is an admission that there is really no preplanning as to why this should take place. That makes me extremely nervous about how quickly this was put together, how little thought there must have been in the putting of it together, when close to three months after it has been put together the minister is just in the situation of having talks taking place in order to work together to get some goals and objectives in the merged ministries. Here it is in black and white.

When you go through some of the others, Mr. Speaker, it's rather interesting. I certainly won't read the whole document, but this certainly should have been put forward for discussion.

One of the objectives, it says here, is "the development of a meaningful range of educational policies, programs and activities consistent with the educational needs of people in Ontario." Presumably that's supposed to be one of the objectives of the merger.

Mr. McClellan: Very specific.

Mr. Bounsall: Did the decision to make the cutback in moneys to the heritage language program take place before the merger? That cutback sure doesn't even continue that development which was just started—and in the Jackson report it was clearly outlined in a recommendation that that development should be expanded. At the first opportunity this ministry makes a cutback that belies the development of a meaningful range of educational policies which is outlined, in this one background paper we have, as one of its objectives.

Without going into enumerating all of the detrimental steps that have taken place in the last few months, I want to mention a few. By 1980 there will be no more provincial funds available for full-day kindergartens in this program. This is continuing to develop "a meaningful range of educational policies," is it? We heard and we are hearing that the Ottawa separate school board is likely to be forced, because of financial constraints, to abandon its successful full-day kindergarten program. If we're looking at "the development of a meaningful range of educational policies and programs," which this objective presumably speaks to, these programs should be encouraged, as the member for Oakwood indicated in his private member's bill which we discussed some two or three weeks ago—on March 29, to be exact. We should have funding at the elementary rate for all those school boards who decide to have children in the full-day kindergarten program. That's what we should be developing in this province. That clearly should be the objective and we're going in the opposite direction.

We're going in the opposite direction in so many areas. The province has regulations which limit class size in occupational and vocational programs. Last December we pointed out to the then minister that due to cutbacks 48 per cent of the classes in Metro Toronto exceeded that limit. What has been the response? This month the Minister of Education suspended section 35(i)(e)/(f) of regulation 704/78 and will continue to permit classes in excess of 20 pupils in these programs.

Hon. Miss Stephenson: Until?

Mr. Bounsall: That is "the development of a meaningful range of educational policies."

Hon. Miss Stephenson: What's the rest of it?

Mr. Bounsall: That will continue.

I can go on. When the Toronto board tried to negotiate more teachers for these

programs, the Minister of Education publicly stepped in and hypocritically called for a taxpayers' revolt when it was brought up.

Hon. Miss Stephenson: I never used that word. The newspapers know it.

Mr. Bounsall: It just goes on and on. The next one—

Mr. Grande: Misquoted again?

Hon. Miss Stephenson: Yes.

Mr. Foulds: I didn't hear you deny it.

Mr. Bounsall: The minister wasn't here for it, but in the debate on the private member's bill of the member for Oakwood, I mentioned that the closer we get to 1984, the more Orwellian this government becomes, and particularly this ministry, in its operation; it says one thing and does precisely the opposite.

Listen to this: "Towards meeting our objective, we want to develop an adequate supply of well-prepared teachers and related personnel to carry out these programs and activities." And what are we having? We are having the closing, by this September, of the Ontario Teacher Education Colleges, which virtually all the teachers in this province are nervous about having closed, because they can go down and have a good proper extension of their teacher training. In fact, many teachers wish they had gone through there in the first place. So we are going to have an adequate supply of well-prepared teachers and we are closing OTEC. The minister is doing exactly what Orwell predicted would take place in 1984. It is taking place right in this Legislature, and there's no better example than right in this Ministry of Education.

Then it goes on to mention "the adequate financial resources to meet the above requirements." In 1975 the province paid on average 61.4 per cent of the cost of education for the local boards. Just four years later we are paying 51.5 per cent, which is almost a complete 10 per cent drop in funding. Yet it mentions developing adequate financial resources.

The minister is going in exactly the wrong direction. She is penalizing all the property taxpayers in the province by this policy. By this policy and the program cuts which the school boards are having to make in this province, the minister is engaged in nothing short of child-bashing with her educational policies.

One of the Jackson report's recommendations was to move immediately to 60 per cent of funding. We now are down to 51.5 per cent and, the way this ministry is operated, we can look forward—and it's not

a very pleasant look forward—to going down to even less on average. We should be immediately reversing it to 60 per cent.

Another example of the government cutbacks: In 1971, the payments to school boards represented 18.2 per cent of the provincial budget; it has now fallen to 13 per cent.

As a total part of the budget, education is taking a smaller and smaller priority of this government's funding, which indicates a government attitude to continue, year by year, to finance education less in this province. There's no other way that can be read. The figures stand out exceedingly clear.

The former Minister of Education a couple of years ago, in talking about all the inequities—and in many ways he certainly was very interested in education—made a commitment, recognizing that the grants to elementary students and the grants to secondary students were, if not reversed, at least out of whack and did not reflect the true cost of education, particularly as class sizes should be smaller in the lower grades. All the research shows that from kindergarten to grade three there is a meaningful difference in education—not just in reading but in comprehension and total pickup—if class sizes are under 20. What's needed is funding for that. He made a commitment to narrow that gap.

This year what do we have? The elementary grants are increased by only \$110, the secondary by \$142. We are again going in the reverse direction with respect to financing in this province.

[10:15]

There is indeed a tremendous amount that can be said about the cutbacks in education and the undermining of our whole educational system. Very briefly, what you have is a fairly good curriculum development program, but you have the boards without the finances to buy the educational materials produced to get those curricula into the hands of the teachers and the students in the classrooms in Ontario. There are good curricula, there are good educational books developed and the boards cannot afford to buy them. That is what is happening all across this province, and it is well documented by the book publishers in this province and well documented by any teachers to whom you speak.

Mr. Speaker: What principle of Bill 19 is the honourable member addressing?

Mr. Bounsall: This is our real concern, Mr. Speaker, about the merger that is taking place, that in fact there is going to be less

attention paid in detail to all of these areas than what has taken place in the past. My colleague from Windsor-Riverside referred to his contacts with people in the university and college field and principals—I believe it was, in the—

Mr. Speaker: How is it dealing with the principles of the bill?

Mr. Bounsall: That is right; we are. They, in all areas, feel when they contact this ministry they are not getting the response they used to get from the former minister in terms of openness and being able to meet with them. The college field has this feeling too. They are told she is too busy in the educational field, and the people in the secondary and elementary are told she is tied up with the college field. Nothing is happening in terms of reasonable contact throughout.

Mr. Speaker, I will end simply by saying the combination of this ministry worries us because we don't yet see any meaningful interfacing taking place. If we saw a detailed thought-out plan handed out well in advance and available to us as to what this merger was going to accomplish, we could perhaps approach this with some confidence. We feel very nervous about what was clearly the situation of a merger and then one sits down and tries to think out reasons as to why that merger may have been a good thing.

I will simply quote one other thing from their background paper. I believe this may have been quoted by our member from Thunder Bay. It is point (g) under "The New Organization": "Cost savings were the motivation behind the special program review recommendation that a merger be considered."

It has nothing to do with educational needs. It is just pure cost savings. It is a damning statement in a document from the Ministry of Education. What we need in this province is a thorough consideration of the needs of the children—

Mr. Laughren: And a new minister.

Mr. Bounsall:—and adults in our college system, receiving education in this program and funding on a needs basis and a complete moving away from the formula funding. The formula funding situation is not adequate to meet the needs we now have in this province.

Hon. Miss Stephenson: Mr. Speaker, I rise first to state to the members of this House that I regret deeply there was not a compendium delivered to them at the time the bill was introduced. It was my understanding that with the introduction of the bill during

my absence the documentation would be accompanying the bill. I regret it did not. That will be corrected.

Mr. Nixon: Roll out the howitzer.

Hon. Miss Stephenson: Mr. Speaker, the concern about the young people of this province, the educational system that attempts to serve the young people of this province, prompted the move to the merged ministries. The activities that were involved included exploration of the experiences of those in other jurisdictions in which there were, as the honourable member for Kitchener-Wilmot suggested, either one or other of the arrangements in terms of educational organizations.

We talked with those in other jurisdictions in Canada in which there were singular organizations and those in which there were double organizations and we found a certain degree of ambivalence, I must admit, in both situations. We talked to those in the United States who had some experience with the restructuring of educational authorities in that country, related to the possibility of separation of the post-secondary institutions from those considered within the elementary and the secondary roles.

In addition to that, a report was developed by a task force, the members of which examined the educational needs of the young people of the province and the possibility of putting the two ministries together.

As a result of the information that was gathered—and there is a paucity of information, specifically on the subject of the benefits of either one ministry or two in the educational field—it was decided the ministries should be merged. The real purpose of this merger is to attempt to bring together all of those with expertise in education, both within and outside of government, in the examination of all problems related to education—to the development of programs in education, to the development of policies in education, and to the solution of problems in education.

This will of course begin within the Ministry of Education as a result of the merger. Those who have expertise—and those members of the divisions of university affairs and college affairs have developed a great deal of expertise and have as a result of their experience much expertise as well—will be given an opportunity to discuss the matters that are of primary concern to the elementary and secondary educational field. The same kind of situation will of course pertain as far as post-secondary policies are concerned.

But there was no intent at any time to downgrade the effective liaison, the effective

contact and the effective relationship which has been developed between the former Ministry of Colleges and Universities and the universities of this province. There has been no attempt to change in any way the relationship between the division of college affairs and the community colleges of this province, because it is felt that those two areas have been based upon a degree of autonomy that is traditional within the universities and a modified degree of autonomy that has been established by legislation for the community colleges.

It is felt that those relationships have been effective, that our universities in this province have been permitted to grow in the most responsible kind of way, based upon their own decisions in terms of their perception of the post-secondary needs, the educational needs and indeed the societal needs of the province.

Therefore, in the structure outlined within the document which I had anticipated most of the members would have at hand, it specifically sets out a division of university affairs headed by an assistant deputy minister—the same assistant deputy minister in that position—but with an added responsibility. This is because following the suggestion of the McCarthy commission and of the Jackson commission we did recommend that the Ontario teachers education colleges be closed, we did anticipate the responsibility for effective and good teacher education would be transferred totally to the faculties of education of the universities, and therefore the responsibility for teacher education will fall under the jurisdiction of the department of university affairs and the assistant deputy minister in that area.

This we feel is a logical move in that the universities will be responsible for providing the educational programs. The liaison with the ministry in terms of effective teacher education development should be through that division, which relates directly to the universities at all times, utilizing of course the expertise and the capabilities of certain members of the teacher education division of the former Ministry of Education who had had responsibilities in this area.

The apprenticeship program in the college affairs division and manpower training or industrial training branch still remains under the jurisdiction of the assistant deputy minister with responsibility for college affairs. There is no change in that area as well.

There are some significant changes in terms of administrative structure, because we firmly believe there are economies to be effected in the area of bringing together the

personnel and administrative staff of the two ministries. It is our firm intent, if we do effect economies in this area, that those funds will be related directly and delivered directly to educational programs within Ontario for the benefit of the young people whom we serve.

It was suggested by one of the members opposite that it was time the public of Ontario had an opportunity to participate in discussions of activities related to the educational system in this province. When I was first moved to the post of Minister of Education, feeling precisely that way, I suggested—perhaps rather naively—that the public might write to me about their concerns about education; and they did.

Several hundred Ontario citizens wrote to me and expressed some concerns which, interestingly enough, related to specific portions of our educational system, particularly in the primary and secondary area, but also some concerns in the post-secondary area. Those concerns are not about the quality of the overall educational program, because it is my understanding from the responses I have received, and from information we have received from other sources, that the educational system in Ontario was still considered to be an excellent system. But it is not perfect, and there are areas of specific concern which members of the public have brought to my attention.

It is also of some real concern that those people who have some interest in the educational system should be aware that the Ministry of Education in Ontario does not believe the educational system in this province belongs to the Ministry of Education. Nor do we believe it belongs to the boards of education of the province. We do not believe the educational system belongs to the teachers of this province. We believe it belongs to the taxpayers and the parents of the province.

It is because of our concern about that that we have been encouraging wide-ranging correspondence and communication with taxpayers, and parents specifically, throughout Ontario; and that communication has been occurring.

As a result of some of this information, I am informed by many of those who are concerned about education that it would be in the best interests of the educational system, and specifically of the young people, to ensure that there is greater co-ordination of effort in education from the primary area to post-secondary area. That, of course, is the purpose of the merger of the two ministries.

It is felt very strongly that the young people of this province will be better served if the problems delineated by the Interface study can be removed by increased and continuous liaison between those responsible for the development of curriculum in the secondary area and those concerned about the delivery of program in the post-secondary area.

It was suggested by one of the members opposite that the senior and continuing education division within the educational programs and continuing education branch within that division of education programs would be responsible specifically for post-secondary educational programs.

That is not the responsibility of that individual. What we have done is to recognize that there is some difference between the curriculum that needs to be developed from kindergarten to grade 10 and the curriculum that requires development from grades 11 to 13, and the division has been made in that area.

The curriculum branch now will be two divisions, each related to an assistant deputy minister through an executive director, one with responsibility for curriculum development from kindergarten to grade 10 and one with responsibility from grades 11 to 13, because the 11 to 13 group are usually those who are not required by law to go to school but who have decided, for purposes of their continuing education, their lifestyle choice and their career choice, that an additional educational program is necessary.

Mr. Nixon: Sounds like medical jargon of some sort.

Hon. Miss Stephenson: It is not medical jargon. It isn't even educational jargon, because I'm new enough at this job that I don't know any educational jargon.

Interjections.

Hon. Miss Stephenson: Mr. Speaker, we believe that the structure that has been developed does provide for more effective use of the reduced numbers of staff within the Ministry of Colleges and Universities and Ministry of Education—and they have been reduced over the last several years quite significantly. The effective use of the expertise of that staff will be maximized by bringing together the functions which could be merged—

Mr. Warner: An acrobatic acrobat.

Hon. Miss Stephenson:—and leaving separate those functions which require separation, because there is a specific relationship

of the government to the primary, elementary, intermediate, secondary system—whatever you want to call it—and the post-secondary system, and those unique relationships must be maintained.

That is the design of the merger. We anticipate that it will be helpful in future modifications of the educational structure in order to be more responsive to the changing needs of the young people and the changing needs of our society.

I believe firmly that this merger is worthwhile, and I do apologize that the compendium was not available to the members.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading? Committee of the whole House? Standing committee?

Hon. Miss Stephenson: I would prefer committee of the whole House, if that is possible.

Mr. Speaker: We must have at least 20 members standing.

More than 20 members have risen. The bill will be directed to—

Hon. Mr. Welch: It seems quite clear that the 20 members say it goes out of the House. But there has been some discussion and the social development committee is seized now with the Health report and with the Health estimates. The minister's choice now would be for it to go to the standing committee on the administration of justice.

Ordered for standing administration of justice committee.

The House adjourned at 10:30 p.m.

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No. 31

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, April 26, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 26, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

ASSISTANCE TO SMALL BUSINESS

Hon. Mr. Grossman: Mr. Speaker, last January my ministry initiated an extensive analysis and review of our programs of assistance to small business. Our goals were:

1. To find ways to make more money available through our small business support programs.

2. To develop more flexibility in our financial support to enable us to shape our programs to the particular needs of those small businesses which require assistance.

3. To expand our advisory support systems and capabilities.

4. To co-ordinate our own programs providing assistance to small business with federal government programs, private lending activity and our new employment development fund in a way which maximizes the access of small businesses and avoids overlap.

This review is now substantially, though not entirely, completed.

We wish, therefore, to outline the basic operation and direction of Ontario Development Corporation, Eastern Ontario Development Corporation and Northern Ontario Development Corporation which we see for the period ahead.

First, the existing direct lending programs of the Ontario Development Corporation will continue in those situations where private financing at reasonable cost is not available. These are: (i) export support loans; (ii) Ontario business incentive program; (iii) tourist loans; (iv) venture capital loans; (v) small business loans; (vi) industrial mortgage loans; (vii) pollution control loans.

Second, the preferential lending rates and terms applying to certain EODC and NODC programs will continue.

Third, the ODCs will focus on the needs of small business in Ontario. To this end, the Ontario development corporations will deal with all applications involving financial assistance of \$250,000 or less; other requests for incentives will be handled by the Employment Development Fund.

Fourth, the Ontario development corporations will place increased emphasis on encouraging private-lender participation in small business support programs. To this end, the Ontario development corporations will be working more closely with the traditional lending institutions to expand our loan guarantee programs. The Treasurer (Mr. F. S. Miller) has agreed to an increase in the limit to total guarantees, and this will enable the Ontario development corporations to arrange much more private financing than otherwise would have been possible.

Fifth, we are developing an interest subsidy program for use in situations where both guarantees apply and where they do not in order to ensure access to privately arranged financing for small business at reasonable costs. The boards of directors of the development corporations—which, I remind the House, comprise business people from northern Ontario, eastern Ontario and southern Ontario—will be asked to play a more important role in considering requests for special support of all kinds—incentives, guarantees and subsidies—to ensure adequate private lender participation.

Finally, Ontario's three development corporations will take on a larger role in providing financial advice to local entrepreneurs and assisting them in their search for alternative private financial resources. In this connection, the Ontario Development Corporation will be working closely with representatives of other government ministries to ensure that the recently announced incentives to small business equity investment through the introduction of small business development corporations will be developed to the maximum advantage of small business in Ontario.

I have already referred to the need for the Ontario development corporations to provide new and better advisory support to entrepreneurs. In addition, they will be expected over time to work more closely with private lending institutions to ensure their participation and to free up government resources for those situations where special government assistance is really required.

The ODCs should not just be another option to banks and private institutions. They should be an additional and different vehicle, available to do and accomplish and cause to

happen things that won't happen with traditional lending services.

Mr. J. H. Joyce, chairman of the board of the Ontario Development Corporation and chief executive officer of the development corporations, who has been involved in developing the innovative new face of the ODCs over the past five years, has reached retirement age and will step down as chief executive officer, effective May 1 of this year. Mr. Joyce has agreed to stay on as chairman to guide the ODC through this critical stage of its development. Mr. Blair Tully, formerly director of the economic policy branch with the Ministry of Treasury and Economics, will take on the duties of chief executive officer and executive director of the three development corporations.

Board meetings of the three development corporations will resume immediately. Those applications pending will be reviewed in the light of the new mandate and processed immediately. Meanwhile, I expect that action will be taken to develop with private lenders new programs which will include broader participation in meeting the financial needs of small businesses in Ontario.

To enable the ODCs to carry out this more diverse and flexible role, additional resources will be made available to meet new commitments. Together with the increase in the guarantee limit provided by the Treasurer, this will allow the development corporations to expand substantially the range and volume of financial support available to small business in Ontario.

LOTTERY GRANT TO TORONTO HUMANE SOCIETY

Hon. Mr. Baetz: Mr. Speaker, as the minister responsible—

Mr. Bradley: A new lottery.

Hon. Mr. Baetz: —for Ontario government lotteries, I am pleased to inform this House that the government has approved a grant of \$1 million from the provincial lottery fund to assist the Toronto Humane Society in relocating its present facilities.

Mr. Kerrio: You're all going to the dogs.

Mr. Cassidy: I wouldn't bet on the minister, if I was a gambling man.

Hon. Mr. Baetz: The new facilities are to be located at the corner of River Street and Queen Street East in Toronto. At present, they are located in a government-owned building on Wellesley Street West in mid-town Toronto.

I would like to point out to the House that this one-time grant will be more than matched by the society's fund-raising activities which

have already received the generous support of the public. We also hope this will act as a further incentive to the public to continue its financial support of the society's objectives.

As the members of this House know, the Wintario and Lottario lotteries, which operate under the Ontario Lottery Corporation Act, can only allocate funds for cultural and recreational uses. The grant, therefore, to the Toronto Humane Society will come entirely from the Provincial lottery which is not so restricted.

Mr. S. Smith: It's for health and environmental research.

Hon. Mr. Baetz: In fact, to date \$56 million has been allocated from Provincial lottery funds to eight Ontario ministries—

Mr. S. Smith: The Provincial is for health and environmental research.

Hon. Mr. Baetz: —\$25 million to Health; \$7.5 million to Labour; \$7.5 million to Environment; \$4 million to Community and Social Services; \$5 million to Agriculture and Food; \$5 million to Natural Resources; \$1 million to the Justice policy field; plus the \$1 million we are now allocating for the society's use.

This is yet one more example that the Provincial lottery is meeting our expectations.

Mr. Sargent: It's a political slush fund, that's all it is.

Mr. Kerrio: Strange priorities.

Hon. Mr. Baetz: The decision of the society to locate its new premises at Queen and River Streets in Toronto is a sound one based on several studies carried out by the society and several ministries. Several potential sites were considered, one of which, as many of the members know, was the Don Jail building and property. However, the Don Jail site was ruled out after study by four relevant ministries due to the possible future needs of a neighbouring hospital and the current needs of the Ministry of Correctional Services.

Both the government and the Toronto Humane Society are happy with the Queen and River Streets location.

DIOXIN IN FISH

Hon. Mr. Parrott: Mr. Speaker, I had intended to make a statement today on the fish testing program in Ontario to coincide with the opening of our fishing season, but I wanted to amend that statement to also include—

Mr. Kerrio: You can drink the water but daren't eat the fish.

Hon. Mr. Parrott: —a statement on dioxin and the testing that has taken place in New

York. I do not have that information ready for today; I will have it for tomorrow and would like, therefore, to postpone the statement until tomorrow morning.

I thought I should give you that information, Mr. Speaker, because I had intimated that I would make the statement today.

ORAL QUESTIONS

NUCLEAR PLANT SAFETY

Mr. S. Smith: A question for the Minister of Energy, Mr. Speaker, with regard to nuclear safety: The question concerns the defective Babcock and Wilcox boilers supplied to Ontario Hydro nuclear generating stations; some 32 of these boilers were so badly damaged that they require major rebuilding at tremendous cost. I remind the minister we're still waiting for details of this matter, which he promised the House a week ago.

Is the minister aware that in 1976 Atomic Energy of Canada Limited stopped using Babcock and Wilcox boilers for Candu reactors sold abroad because of concerns over the design safety of Babcock and Wilcox boilers?

Hon. Mr. Auld: No, I was not aware of that, Mr. Speaker, and I will inquire about it.

Perhaps I might take this opportunity to answer the question that I was not able to give full details about last week, the question the Leader of the Opposition asked me in connection with those boilers and the inspection procedures. It's relatively short.

Manufacturers supplying major equipment to Ontario Hydro are required to provide the design manufacturing procedure inspection and test plan with their tender. This quality assurance plan provides information on the measures to be taken by the manufacturers to ensure the items or services will meet the requirements of the Hydro specifications and the manufacturers' design intent. The manufacturer is responsible for the physical inspection of the manufactured components. Ontario Hydro inspectors provide in-plant surveillance to ensure the inspection plan has been followed by the manufacturer.

The damage to the internals of the Pickering generating station B boilers occurred after they were fully assembled, apparently during a heat treatment process of the completed boiler. Careful inspection during manufacture and assembly ensured no damage to the boilers had occurred up to that point.

[2:15]

Examination of the internals of a completed boiler is quite difficult because of the

heavy steel shell and the internal steel shroud which surrounds the tube bundle. The damage to the internals is localized and limited to a certain group of tubes not easily inspected from the very limited access at the ends of the finished vessel.

Constrictions in the tubes were first detected by Ontario Hydro forces during tube-by-tube inspection of the first unit of the Pickering B station. This on-site inspection of the tubes was being undertaken to ensure tube wall integrity. Constriction of certain tubes was encountered. The cause and extent of the constrictions were not immediately evident, and considerable investigation ensued before the extent of the damage was defined and the post-weld heat treatment process identified as the probable cause of the difficulty.

A very preliminary estimate of the cost of rebuilding the damaged boilers was given by Ontario Hydro as \$35 million. However, considerable work is required to firm up these costs. No information is yet available on possible costs to Ontario Hydro.

I also said I would attempt to get a drawing of the boiler to indicate the problem. I have one, and I will send it over to the Leader of the Opposition. I might say that the boiler is some 46 feet in height and has about 25 miles of tubing in it, or some 2,600 tubes.

Mr. S. Smith: Since the minister said he was not aware that Atomic Energy of Canada Limited stopped using the Babcock and Wilcox boiler for its Candu reactors sold abroad, might I ask him to check with Hydro to find out if Hydro was aware that AECL had stopped using Babcock and Wilcox boilers precisely because this heat treatment process was thought likely to produce the kinds of bending which eventually did ensue? Could he find out, if Hydro did not know about that, why it did not know and why it continued to use the Babcock and Wilcox boiler even to the point of accepting it for Darlington?

Hon. Mr. Auld: As I said, I will get that information. But, as the Leader of the Opposition is aware, before any unit can go into service, Hydro must get a licence and approval from the Atomic Energy Control Board. I would assume that, if there was some previous design fault encountered by Atomic Energy of Canada Limited, it would have been rectified, because otherwise, I assume, the Atomic Energy Control Board would not license the unit.

Mr. Nixon: Supplementary, Mr. Speaker: Is the minister aware that the president of the control board told the select committee yes-

terday that a special review had been undertaken as to the capability of Babcock and Wilcox in this connection and that the review has been completed? Does the minister have a copy of that review, and can we see it?

Hon. Mr. Auld: I would answer no to all three questions, Mr. Speaker. I have no doubt there has been a review, because I think I indicated to the House that Hydro asked that production cease on those boilers last December when it first became apparent that there were some problems.

Mr. M. Davidson: Supplementary, Mr. Speaker: Has the minister checked into the accusation by Babcock and Wilcox that the reason for the problem they have now run into was a change in the method of process, which change they were doing under instruction from either Ontario Hydro or Atomic Energy Canada Limited? Has he looked into that matter yet?

Hon. Mr. Auld: Mr. Speaker, I have not had any definite information on that as yet.

Mr. J. Reed: Supplementary, Mr. Speaker: Since the difficulties with these boilers was discovered by some test or inspection procedure which was done in the Pickering plant, could the minister tell us why this kind of search or procedure would not be undertaken as an inspection procedure at the point of fabrication before these boilers actually get in as finished products?

Hon. Mr. Auld: Without getting into the technical details which I am frank enough to say I am not qualified to discuss effectively—

Mr. Sargent: You've made that quite clear all along.

Hon. Mr. Auld: —as I recall, the problem was found after delivery. It may well be something happened during delivery, I don't know, but I really can't answer that question. I will be delighted to try and get the answer to the member.

DIOXIN IN FISH

Mr. S. Smith: I'd like to direct a question to the Minister of the Environment, if I might have his attention for a moment, regarding the matter of dioxin. I'd like to ask him why he is not prepared to make a statement about dioxin in the House today. Why do we have to wait for tomorrow? In particular, would he agree if dioxin is present in the fish and possibly in the water, it's very likely it comes originally from dioxin present on or in the land? How does he expect his ministry at any point to be able to tell where the dioxin is coming from to get into the water when, for instance, the ministry does

not even know about a site in Fort Erie into which it would appear the Hooker Chemical company has been dumping if we take the ministry's list which they gave the resources development committee as an indication? The Hooker Chemical company, which manufactures dioxin, at least in the States, has been dumping into that site. Is the minister aware his own inspectors have no record of any water quality testing done at the Fort Erie site?

Hon. Mr. Parrott: Mr. Speaker, that's a very long question and it's hard to get all of the impact of it, but let me give the House some information which I hope to amplify tomorrow.

I think one of the things I've learned about dioxin in the last two weeks is that it is invariably found with other substances, polychlorinated biphenyls particularly. If one finds high levels of those materials, one would expect therefore to find a possibility for dioxins. In their absence, one would not expect to find dioxins. That's a pretty well known and accepted biological fact.

We have tested very carefully for the polychlorinated biphenyls and we have found minimal levels. Therefore, we have every reason to believe dioxin is not present.

It is a very complicated test. We're prepared to do those tests in water. I think what also must be drawn to the attention of the leader of the Liberal Party is that because dioxin may be on the land it doesn't easily follow it will be found in water because it's a very insoluble material.

I believe the dioxin in the flesh of the fish has come from the ingestion of the solid particulate matter, not from the water itself. Therefore, I think if one puts all of that information together, one can readily believe we have every reason to know there is a very small amount of dioxin, if any, in the drinking water from Lake Ontario we consume.

I think those are logical progressions of the facts we know in Ontario. I don't think we would be expected to know, and I don't think the member is asking me to know all of the sites in New York state. Indeed, it wouldn't be reasonable to request that we should know their sites. We'd have to expect they would supply that information. Certainly, we've got to test the water in the Niagara River and we have done that very consistently.

I think the word that describes it best is a herald substance. In other words, as I explained earlier, the dioxins are in a direct relationship with these other chemicals. Those herald chemicals show a very minimal level. I put that on the record today.

If I am not misunderstood, I have a couple of illustrations of the concentrations we're talking about. I had them dig this up for me today because I think it is important to get some concept of the magnitude of the concentrations. I don't offer this in a light way. A couple of the illustrations are light, but I think they do put into perspective the concentrations we are talking about. Let me give members some illustrations, if I can, to give some perspective to the concentrations.

In the fish we measured, there were four parts per trillion. Here's what a part per trillion relates to, and I might be in some trouble with this first one. One part per trillion equals one shot of vermouth in a 28-million-ton martini.

Mr. Nixon: That's your kind of martini.

Mr. Makarchuk: That's pretty dry stuff.

Hon. Mr. Parrott: That's a pretty strong martini. For those who would prefer I dealt with other interests, it's like a one-gram needle in a million-ton haystack, or, if one put one drop of dioxin in a bucket of water, it would have a concentration of 2.5 million parts per trillion. What we found yesterday was four and six parts per trillion. I am saying that's one drop in a bucket.

All I am trying to do is to give some perspective of the very minute quantities that today's technology can measure. In the scheme of things, we shouldn't lose sight of those extremely small concentrations. That doesn't for a minute mean, and I am not trying for a minute to suggest, that I am not concerned about any concentrations of dioxin, but to give us a perspective we must know that those are the concentrations we are talking about. Therefore, when we are talking about four parts per trillion—and the Americans have said that 10 parts per trillion is their action level—we mustn't lose sight of that perspective.

Mr. S. Smith: It's the most exceptional answer we have had in this House in some time, Mr. Speaker. The real question, it would appear to me, is whether pregnant women and children ought to be eating the fish. If they are not, I don't care how this relates to martinis.

Let me get to the precise matter. Need we in Ontario just sit back and wait to see whether our Great Lakes become poisoned or can we have a ministry that knows where chemicals have been dumped and will measure the water in the area of those dumps? Given the fact that the minister gave to the resources development committee an alleged complete list of sites accepting liquid waste, which did not even have the Fort

Erie site on the list; given that the Hooker Chemical company has been dumping into that site; and given that they make dioxin, why has the ministry not been measuring the water quality, the effluent and the surface water from that site and many other sites in Ontario? Why do we just have to sit back and wait to find the stuff in the fish?

Hon. Mr. Parrott: I am not going to repeat again the amount of testing we have done. I thought I had today made fairly clear that we have done a lot of testing. We are not sitting back. We have a very significant amount of knowledge about the dioxin in our Great Lakes and our streams. We haven't tested it, but surely the Leader of the Opposition recognizes that the water from those dump sites in Fort Erie or anywhere else would find its way, if it's a hazard, into our lakes and streams. I think I put rather clearly on the record today that all scientific evidence would clearly suggest there is not a danger of dioxin in our streams, and that's where it becomes extremely important to us.

There is a highly unlikely possibility that people would ever consume sufficient quantities of fish that could be a serious hazard. I wish the member would try to hear this point. There is no danger in the quantities of fish that we are likely to consume here in Ontario. It is extremely unlikely. The New York authorities say they see no need to take action at the level of four and six parts. It is their standards that we endorse; we have a similar understanding of the levels of safety. They are saying there is no hazard and we are endorsing that.

[2:30]

So surely the member can accept that we have an intimate knowledge. He is extrapolating a lot of facts and it makes a rather interesting case. In one sentence he talks about New York state and the next time talks about Fort Erie. The last I heard Fort Erie was not in New York state.

Mr. S. Smith: I never mentioned New York state.

Ms. Bryden: Mr. Speaker, I would like to ask the minister if he is planning to install his own testing facilities for fish so we can make sure our fish are completely safe. Also, has he yet been in touch with the governor of New York state to see that the dioxin that had got into Bloody Run Creek is being contained? There is still a danger, even if dioxin isn't soluble, that it gets in the bottom of the streams and then gets into the food chain.

Hon. Mr. Parrott: Yes, we are making some tests on water and the level of dioxin. Earlier

I described how we can extrapolate a good deal of information right now from the tests we have done on other materials and we will be doing that on dioxin.

We have taken the opportunity to send samples not only to the lab in Nebraska but to another lab as well, to confirm their analysis. I think it is important we have that done. We are prepared to send the flesh of the fish there for analysis.

We think the analysis in water is perhaps more important at this time, because it will affect every one of us every day. When we have that well in hand we will then do the tests on fish here in our labs; but the water testing is our first priority now.

Mr. Haggerty: Mr. Speaker, I think the question my leader was trying to convey to the minister is that there is a Hooker Chemical plant situated in the town of Fort Erie. There is a small stream running through the property that enters into Frenchman Creek which empties into the Niagara River. Has there been any chemical analysis done in that stream by the ministry?

Hon. Mr. Parrott: Yes.

Mr. Kerrio: Mr. Speaker, is the minister aware that upper New York state has probably one of the largest chemical dumps in America? Does he realize there is enough dioxin in one site to kill all of the people in North America? Because that condition exists in the neighbourhood of Bloody Run Creek, and with the great danger of that dioxin leaching into the waterways, wouldn't we be well advised to have the very best testing equipment that exists? Should we not insist that those people in New York state co-operate so that we know what is happening?

Hon. Mr. Parrott: I don't argue that case at all. Indeed, I think our lab has done a tremendous number of tests on the water in the Niagara River and Lake Ontario. We are getting co-operation from those authorities—no problem there at all—and I am very concerned that there is enough material in one site to destroy an unbelievable number of people. I think it is awfully important that be contained.

All of that I agree with; but surely the member would agree too that I have to expect, and he must expect, that will be done by the New York state authorities. He really can't expect, on a reasonable basis, that I would go over there.

We have every reason to believe they are treating the problem as seriously as we do.

Mr. Warner: Swim your way over.

Hon. Mr. Parrott: I have said repeatedly that we have done a large number of tests,

not specifically for dioxin as yet, although we will be. Because of what I call these herald substances, which give us a great deal of information about dioxin, we feel very confident of what our tests will show on dioxin.

I hope that technical point comes through in the dialogue here in the House because I think it is important. We do not yet have clear test results for dioxin per se, but we will have shortly. In the interval, I think the members must understand the significance of these other tests we have done very extensively which would lead us to believe there is no threat from dioxin at this time.

That will be confirmed when we carry out a larger number of tests specifically for dioxin.

SHORTAGE OF SKILLED WORKERS

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of Industry and Tourism, arising out of the work of the selective placement service which, in fact, we had understood was a part of his small business development branch.

In view of the minister's statement on Monday that the selective placement service has worked closely with both unions and companies in an attempt to provide options to reduced operations, or raiding other companies in looking for skilled manpower, did the ministry satisfy itself that General Motors had made an adequate effort to find the skilled workers it needed in Canada through contacting unions or private employment agencies before GM went off to Britain, and just what does "an adequate effort" mean, in the minister's opinion?

Hon. Mr. Grossman: Mr. Speaker, may I clarify one point? We did not say it was part of the small business branch of the ministry; it is part of the selective placement service. It is a specialized service for all industry operating through our ministry.

The direct answer is yes, we did satisfy ourselves with regard to General Motors' request. In fact, my information is that their request was for something more than the ultimate number with which we agreed to assist them, which was 95. After discussing the matter with them, the unions and Manpower, it was determined that the actual number which could not be recruited in Canada, so far as they all could determine, was 95.

Mr. Cassidy: Mr. Speaker, can the minister explain why he and his ministry believe that an adequate effort was made to look for the skilled workers here in Canada when, so far as we can ascertain, only one private employ-

ment agency was contacted, and union locals in the relevant skilled trades such as electricians, machinists and pipefitters were not contacted at all? Is this, in the minister's opinion, an adequate effort? Or is the ministry prepared to insist that companies using this service will, in fact, have looked across Canada and in Ontario to find where the skilled workers may be available?

Hon. Mr. Grossman: I can only repeat what I said earlier, which is, that this program—the placement of these 95 people—was done only after consultation with union local—I mentioned the number the other day—1973. And that union has two representatives on the committee which ultimately worked with GM to make this decision. In addition, the company's intentions were specifically brought to the notice, I am informed, of the international union in Oshawa who were in concurrence with the company's actions.

I would have thought, notwithstanding what the member has said—he may have different information—that clearly the unions were aware of it and explicitly approved of the fact that we had to go outside to fill those 95 jobs. If the union has informed the member that they are not satisfied, I would like that information, because we were informed exactly opposite.

Mr. Sweeney: Supplementary: I would ask the minister what long-term guarantees, if any, General Motors gave him, that they would proceed immediately to train their own people. I know there is a short-term one, but is there any long-term one?

Hon. Mr. Grossman: Again, General Motors has undertaken the program and it is in operation. They undertake to continue that program for as long as it is necessary in order to serve, obviously, their own purposes. After we get them to inaugurate the program, as a condition of providing these workers, all we can do is check back to monitor that they are fulfilling their commitment to us to proceed with the training. Obviously, the long-term apprenticeship programs still remain the responsibility of the firm, and the long-term programs relate to the ministries of Labour and Colleges and Universities.

Mr. Cassidy: Supplementary: Since the United Auto Workers is not the only union which has jurisdiction over electricians, pipefitters, machinists and other trades that were being sought by General Motors, doesn't the minister think GM should have been required to go to the relevant unions that have jurisdiction over most of these skilled tradesmen, particularly when there were more than 2,000 construction electricians in this province who

are now out of work, many of whom have the skills that could be used at that plant, and when there are hundreds of unemployed pipefitters who have been seeking work in Alberta because they can't get work in this province? Surely GM should be required to look there and not just to the UAW?

Will the minister insist in future that before the services of his selective placement service are used every effort is made to look at all the possibilities for finding skilled workers in Ontario or across the country before going abroad?

Hon. Mr. Grossman: I have listened carefully and I don't think the leader of the third party has yet indicated that he believes there were skilled workers in Canada who could have taken these 95 jobs. If he believes that to be the case, just so we'll know what we're talking about, rather than allegations I think the member ought to indicate that he is firmly aware that there are or are not skilled workers in Canada.

Mr. Swart: That's your job.

Hon. Mr. Grossman: We've done our job, and we say—

Mr. Swart: No, you haven't. You haven't done your job.

Hon. Mr. Grossman: Let me finish. We said quite clearly, and we haven't backed off from that, that all the efforts were made to locate other skilled workers in Canada. I just want to clarify whether the leader of the third party is saying there were skilled workers that GM and the other authorities involved were unable to locate. That is important information to us, because I am sure if he will pass that information to us, GM would be more than happy to consider making those jobs available.

I look forward to hearing from the member whether his allegation is that there are people who can take those 95 jobs. We checked in quite great detail with the Canada Employment and Immigration Commission, the unions and with all the government agencies involved. I think it is fairly reasonable for this province to rely upon the information given us by CEIC with regard to the number of skilled workers who are unemployed in Alberta or any other province.

I want to finish by saying, having done all that, we believe we carefully canvassed the field and that our analysis is complete. If the member has information that there are skilled workers who are currently unemployed and who could have filled those jobs, send that information to me and I will make sure those are forwarded through my selective placement service to General Motors. If they are qualified they will have the jobs.

Mr. Speaker: A new question.

Mr. Cassidy: Supplementary, Mr. Speaker—

Mr. Speaker: A new question.

Mr. Cassidy: The minister asked me a question.

Mr. Speaker: We've spent 32 minutes and we are not yet finished with the leaders' questions. This isn't the first day you have discussed it. I will entertain a new question.

Mr. Cassidy: Mr. Speaker, if the minister wants me to carry on his job I'll be happy to take it, but he should resign first.

Mr. Speaker: Order. Do you have a new question?

Mr. Cassidy: I have a new question directed to that particular minister. However, I would say to him that the unions he is looking for—

Mr. Speaker: Order. Do you have a new question?

Mr. Cassidy: Okay, I'll see you later, Mr. Speaker.

REED PAPER COMPANY

Mr. Cassidy: A question to the Minister of Industry and Tourism: In view of the fact that the Reed paper company has now been turned down on its application to the Employment Development Fund for a \$26-million grant for the Dryden paper mill, can the minister explain the reasons for that decision, which has now been communicated to Reed?

Hon. Mr. Grossman: We received their application and it was processed in the light of the statements made and the programs set out. In simple terms, they didn't meet the criteria as laid out in the program several months ago.

I would be pleased to indicate the criteria against which their application, and all applications out of the pulp and paper industry, are measured. Economic viability, unquestionably. We want to make sure, of course, that the proposal improves the overall efficiency of the plant and the mill in order that it has a reasonable chance of competing over the long run.

[2:45]

Second, the commercial rate of return is obviously an important factor. We want to make sure that the ultimate operation which continues is one that is not overly susceptible to the cyclical changes in that industry; we do not want to cause a major investment to occur which cannot survive a difficult period of years—and there will be such times in that industry.

Thirdly, and most important, we want to make sure the investment is such that it creates long-term employment in the area. Any investment which might be approved has to be an investment that will assure us that the plant is going to be in business and economically competitive for 20 years or so.

Fourth, environmental improvements: Obviously much has been said about this; we want to make sure that the environmental improvements are of such magnitude that they meet all the requirements of the Ministry of the Environment.

Fifth is optimum forest utilization.

Sixth is integration with federal programs so that, for example, we accomplish some goals which the federal program—whenever it really gets under way—will not meet.

Finally, we want to obtain maximum leverage on public funds. I ought to take this opportunity to clarify the one-for-three ratio which was set out in January when the document was released and the Treasurer announced the program. One for three is the minimum ratio. We hope to achieve much better leverage than that. We would hope that in many circumstances we could lever as high as one for seven: one public dollar for seven or eight private dollars.

In a general way, I would say that the entire atmosphere within which these proposals are assessed is one in which we want to make sure that we maximize the benefits out of our own natural resource base. Taking that as the overall criterion, and following down the seven things we have said, we obviously concluded that, overall, the proposal submitted by Reed was not one which satisfied enough of those criteria in enough ways.

I do want to emphasize, of course, that Reed is more than welcome to come back again with a new and different proposal.

Mr. Cassidy: In view of all that the minister has said and what that indicates about the major industry in the town of Dryden—a town which has 1,200 employees in the paper mill and which is several hundreds of miles from any other major centre of employment—can the minister say what plans the government has to maintain the economic viability of the town and its surrounding area?

Hon. Mr. Grossman: I may say that we believe there is a scheme of modernization which can make that plant economically feasible in the long term.

The proposal submitted to us, in our opinion, was not one which would have done that. But we do believe that the mill, with appropriate modernization, is one that can and will survive in the long run. That is why we have made it quite clear to Reed

that we would hope they would come back and make a proposal that would accomplish our goals; they can be accomplished.

Mr. Gaunt: Supplementary, Mr. Speaker: Since the Minister of the Environment indicated this program was one of the main reasons why he came in with a 1982 deadline, and since the company now has been turned down under the terms of this program, is the minister going to recommend to his colleague that the deadline now be extended to 1985?

Hon. Mr. Grossman: Mr. Speaker, the question of the deadline is one which the Minister of the Environment has been quite explicit on and one which he will take up with cabinet.

May I say we are convinced there is a scheme of modernization which can work in the plant? Our outlook in terms of this was to deal with the questions in the context of whether there is a modernization scheme which can work and make that plant viable, be it in 1980, 1981, 1982, 1983, 1984 or 1985. We still believe there is a scheme which can make that plant viable and, quite possibly, by 1982. This just does not happen to be the proposal.

Mr. Mackenzie: Supplementary, Mr. Speaker: Inasmuch as all three parties made a commitment to maintain Dryden as a viable unit, considering the investment we have there, and in view of the minister's statement that they're not going to make the grant requested by Reed paper, is the minister telling this House this government is willing or ready, if necessary, to acquire that plant and bring out the modernization that he's talking about to maintain that community?

Hon. Mr. Grossman: No, of course not.

Mr. Warner: What is the government going to do?

Hon. Mr. Grossman: But we do believe private operators of that mill can develop a program, with the assistance of this government, to make that plant commercially viable. That's as simply as we can put it.

Ultimately, we believe a scheme can be developed. We're very familiar with the problems in that location and the commercial viability.

Mr. Mackenzie: How does the government get Reed out?

Hon. Mr. Grossman: I want to emphasize that the member who asked that question and his party particularly would be most critical of this government if we put ourselves in a position to accept a proposal coming along from Reed or anyone simply because that was the first proposal through the door. I think

the members would expect us to do exactly what we're trying to do—that is to maximize the operation and maximize the return on our resources.

Mr. Warner: The government normally rewards the polluters.

Hon. Mr. Grossman: We are going to carefully analyse those proposals—

Mr. Warner: We remember Dow Chemical.

Hon. Mr. Grossman: —and rather than buckle down and kneel down to the company that came through the door, as the member would—

Mr. Warner: If the minister bowed down he'd disappear.

Hon. Mr. Grossman: —be willing to charge, we have instead said to them, "We don't think this is one which maximizes that facility as it might be. Please come back and see us." And I hope they will.

HYDRO URANIUM CONTRACTS

Hon. Mr. Auld: Mr. Speaker, last week the Leader of the Opposition asked me about Ontario Hydro's agreement with Shell for uranium exploration. I think I gave the Leader of the Opposition the number of agreements Ontario Hydro has for uranium exploration in various parts of Canada, but I did not have with me the terms of Hydro's agreement.

The terms of Ontario Hydro's agreement with Shell do not prevent Ontario Hydro from entering into agreements with others, either in Ontario or in other parts of Canada.

Since early 1974, Ontario Hydro has considered and turned down more than 35 proposals for the support of uranium exploration in Ontario. I'm informed by Hydro these have all been turned down, following review by Hydro's consultants, on technical and/or economic grounds. In no case, did Ontario Hydro's agreement with Shell influence the decision.

Ontario Hydro does not carry out uranium exploration itself. In some cases where proposals were of no interest to Ontario Hydro it was suggested they could be taken to Shell as being better able to assess—and potentially, I suppose, act on—the proposed programs. This did not represent a deferment to Shell but was intended to assist the vendors of the proposals.

As I indicated last week it is the Ministry of Natural Resources which licenses prospectors. They can prospect wherever they choose and for whomever they choose.

Mr. S. Smith: By way of supplementary: Is the minister saying there are geologists who

tried to enter into agreements with Hydro and that Hydro sent them to Shell, not because Shell had control of the situation but in order that Shell would give them advice or something of this kind? Is it reasonable that Hydro should be sending Canadian geologists to a multinational company for this kind of advice? Could we see that contract between Shell and Hydro? Would the minister please table that?

Hon. Mr. Auld: I would be delighted to get that from Hydro and do so.

What I said was that Hydro might have suggested, when prospectors had come to them and said they would like to do some exploration for Hydro, that their proposal was not of interest to Hydro—for any one of a number of reasons. They have suggested to those prospectors on occasion, I am informed, that perhaps their proposal might be of interest to Shell for its own purposes.

APPRENTICESHIP PROGRAMS

Hon. Miss Stephenson: Mr. Speaker, there has been some confusion about figures regarding apprenticeship statistics which were made available to the leader of the third party last week.

Mr. Van Horne: Scrap the whole program and start from scratch.

Hon. Miss Stephenson: I promised I would check these and correct them. Mr. Speaker, I should like to table the correct statistics today.

Mr. Mancini: Apologize.

Hon. Miss Stephenson: Indeed, the honourable leader of the third party was provided with inaccurate information. It was the fault of the staff of the ministry, and for that, I apologize.

Mr. Cassidy: I thank the minister for the figures on apprentices. Will the minister confirm, however, that although she has now provided us with new figures that we were not able to get accurately from her ministry before, they still show that between March 1978 and March 1979 there has been in fact a reduction in the number of apprentices in the area both of industrial electricians and also of construction electricians; there has also been a reduction in the number of apprentices in the area of millwrights, both in the industrial and construction areas; there has been a reduction in the number of apprentices in the areas of both construction pipefitters and industrial pipefitters? Will she say when this government will start to ensure we increase the supply of skilled labour rather than reduce it?

Hon. Miss Stephenson: There are selected apprenticeships, which were those mentioned by the honourable member in his original question, which were listed on this tabulation. There has not been a decrease in the number of industrial electricians. There most certainly has been a decrease in the number of construction electricians and apprentices in other construction trades because of the fact we are reasonably well supplied at the present time with skilled tradesmen in those construction areas.

We do have needs, however, in the industrial area and we are attempting, as I am sure all the honourable members know, to increase the numbers in that area. This is one of the focuses of our increased activity in employer-sponsored training, and certainly one of the focuses in the increase in apprenticeship training.

There has been, in fact, an overall increase in the numbers of apprentices over the last several years, but in certain specific areas, there have been very small reductions in numbers.

TUITION FEES

Hon. Miss Stephenson: There was a matter raised by the member for Windsor-Riverside (Mr. Cooke) regarding the fee increase for the nursing program at Mohawk College. As I said when the question was asked in the House, the directive of January 19, which outlined a change in fee policy, was issued in error and that directive was rescinded and was replaced by one that stated an increase of \$10 per academic term would be the right one.

It was also specified in that directive that the colleges were to apply the new tuition fee in accordance with 1978-79 college fee practice. When I investigated the case that was brought to my attention by the honourable member, I found Mohawk College had indeed increased its fees for the nursing program from \$425 in 1978-79 to \$599 for the second year of the program in 1979-80.

I have communicated my concern about this matter to the chairman of the board of governors of Mohawk College, and have written to the chairman as well, directing the college to conform with the policy on fee increases. As a result, the fees at Mohawk College for the nursing program will be \$445 for the 1979-80 academic year. I would like to thank the honourable member for Windsor-Riverside for raising the matter.

HOSPITAL BED ALLOCATIONS

Mr. Nixon: Mr. Speaker, I have a question for the Provincial Secretary for Social De-

velopment. I assume she chaired the cabinet committee which approved the policy for the cutback of active-treatment beds in the hospital system of the province. Is she aware that the result of that policy, by action of the boards of the Brantford General Hospital and St. Joseph's Hospital, is the closure of a total of 66 beds and the announcement of the lay-off of 51 staff, and that the former chairman of the health council is saying the health care system in Brant county is "disintegrating before our very eyes" and he is responding to what he describes as "a potential disaster."

If she is aware of that, would she agree with the Treasurer (Mr. F. S. Miller) and the Minister of Consumer and Commercial Relations (Mr. Drea), who both assured the people of the area, and very properly so, that if the quality of medical care was going to be substantially reduced, the policy would be reviewed?

[3:00]

Hon. Mrs. Birch: I think that question was directed to the Minister of Health (Mr. Timbrell) from a member of the third party this week, at which time the minister said he would be in touch with the local council of health and would be reporting back to the House.

I expect the minister will be in the House later this afternoon, and perhaps that question could be directed to him at that time.

Mr. Nixon: Supplementary, Mr. Speaker.

Mr. Speaker: It was taken as notice when it was asked previously and it has been taken as notice now. Why don't we wait until the appropriate minister answers it?

Mr. Nixon: I was trying to bring to your attention, sir, that the minister was coming in. If I may, I would also like to bring to your attention that the question asked by the member for Brantford (Mr. Makarchuk)—and a very good question it was—had to do with the \$400,000 the hospital boards say the ministry owes them.

Since that time—and I say this for the benefit of the minister who is now here—the decision has been taken to close the beds and lay off over 50 staff. The former chairman of the health council, a person who was appointed, though not as chairman, to the health council by the ministry, says that the health care system is disintegrating in the county. He's Jim Longley.

The minister is frowning. I phoned notice of this to his ministry. This is a matter which is of grave concern, not only in the area, but here, because the minister has assured people locally that there would be no deterioration

of the service. What is the minister going to do about it?

Mr. Van Horne: Plan ahead.

Hon. Mr. Timbrell: Thank you, I will. I apologize for being late. I was in the great city of Oshawa.

Mr. Breaugh: We love to have you as long as it is only temporary.

Hon. Mr. Timbrell: On the way in, I was handed some information about this. As background, let me say, when I met with the delegation from the local health council and the hospitals three or four weeks ago, I indicated that up to \$384,000 or \$390,000 would be reinstated when a rationalization plan was agreed upon by the hospitals.

I haven't seen it yet, but apparently there arrived in my office today a telegram from the health council, asking if we would agree to fund valid deficits between April 1, the beginning of the fiscal year, and the point at which a rationalization agreement would be concluded.

I think we are dealing with reasonable people and, depending upon what they define as valid deficits, I am quite prepared to do that, again to the limit of the \$390,000. They apparently are asking for a further meeting and that will be set up as soon as possible.

Mr. Nixon: I am sorry the minister is not up to date. Is the minister not aware that the rationalization which had been proposed by a committee of the health council and which evidently the minister thought was going to be accepted, has been turned down by the hospital boards, and that action on another type of rationalization, that is, laying off over 50 employees and closing the active-treatment beds, has been entered into as the only alternative under the minister's policy?

Is the minister not aware that in this area at least his policy is a dangerous failure and must be reviewed?

Mr. Kerrio: The minister of lotteries gives the money away.

Hon. Mr. Timbrell: The point of the offer in my letter to them following the last meeting was to provide a substantial financial incentive to complete the process of a rationalization agreement. At the time, I was not making any assumption that what was on the table then would in fact be the agreement. Apparently, all the hospitals agreed to it, save one.

What I want to assure myself of is that we can get everybody back to the table quickly to get on with this process. I certainly don't want to see services cut further than would be prudent.

Mr. Nixon: Should they withdraw their dismissal orders while you get them back?

Hon. Mr. Timbrell: The telegram, which is apparently in my office, asks if we will approve—I think the wording, according to the note which was handed to me, is—

Mr. Nixon: Interim financing.

Hon. Mr. Timbrell: —valid deficits, which would be incurred between the beginning of this fiscal year and the point when rationalization would be concluded. Within reason, I'm quite prepared to go along with that. Obviously, I can't give a blank cheque but I'm certainly prepared to be reasonable on that. I don't think you want me to give a blank cheque anyway.

Mr. Nixon: Within reason you're quite prepared to go along with that.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Mr. Speaker, I think we've demonstrated in countless situations that we're quite prepared to work with the local people and within the resources available to do everything possible. The same would be true here.

Mr. Makarchuk: Mr. Speaker, is the minister aware of the fact that just a couple of weekends ago there was no bed available for a serious suicide case? There are two bodies from that hospital upon which inquests will be called shortly. In the sense of just something known as human decency, will the minister resolve that problem before we have more bodies in that area?

Hon. Mr. Timbrell: That's a pretty serious allegation. I would have thought by now the member would have contacted me directly and given me names or something rather than this kind of tactic on his part.

Mr. Makarchuk: There's a letter on the way.

Hon. Mr. Timbrell: It doesn't speak well for you.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Again, the clear purpose of the letter that I gave to that health council following the meeting of a month ago was to provide a substantial financial incentive to get on with the job of rationalization. If there's some additional variation I need to give to ensure that happens and services are maintained at reasonable levels, I'll do that.

DOMGLAS DISPUTE

Mr. Mackenzie: A question for the Minister of Health: Is the minister aware that Domglas in Hamilton, currently in the fourth week of a labour dispute, has cut off the coverage for

sick benefits, extended medical, life insurance and prescription drugs for its employees? Could the minister tell the House what he is prepared to do to ensure employees such as Art Lee, who has been on sick leave since January 4, can get the \$50 worth of pills per month that he needs to function? What action will the minister take to assure that Domglas's dog-in-the-manger attitude, which puts even Inco to shame, is not allowed to deny workers or their union the right to pick up the coverage for such essential services through the refusal of the company to allow the insurance carrier to extend the coverage?

Hon. Mr. Timbrell: I don't believe my ministry would have any authority in that area whatsoever as it pertains to benefits under what I take to be an expired collective agreement, but I will look into the matter. I believe it would more likely come under the jurisdiction of my colleague, the Minister of Labour (Mr. Elgie). If that's the case, I will see it is referred to him and his ministry as soon as possible.

THAMES RIVER FLOODING

Mr. Watson: I have a question for the Minister of Natural Resources. In view of the fact it's some six weeks since we had the serious flooding in Dover township, and in view of the fact the minister appointed a committee to investigate it and the committee's initial timetable called for a report sometime before May 1, can he indicate to this House the committee's progress or whether that report is forthcoming?

Hon. Mr. Auld: I understand the report is being typed; it has been written. I'm expecting to receive it any day now. When I receive it, I will take whatever action is indicated, if action is indicated, and the report will be made public.

FOOD PRICES

Hon. Mr. Drea: On Tuesday last, the leader of the third party asked me, through the Premier, why on February 28, 1979, a can of Carnation evaporated milk containing 15 ounces of milk cost 46 cents and a week later, ostensibly because of the conversion to metric, a can that contained 10 per cent less milk cost 45 cents. The truth of the matter is Carnation did not raise their prices. When they converted to metric they dropped their price by the exact same amount, 9.4 per cent. As late as this week that product can be bought in Sudbury for 42 cents, not 46 cents. The reason it was bought at that price on that day was a clerical error in the store. We have checked it out.

I am going to give back these cans to the honourable member and I hope he gives the one back which has a price tag on it. The store is perfectly willing to give back the three cents. It was a clerical error. May I suggest that the honourable leader of the third party please apologize to the Carnation Company Limited which did not engage in the alleged rip-off. It has lowered its price; the price is 42 cents today as it was.

Just to avoid another question, Mr. Speaker, at the end of March the federal government increased the support price on powdered milk by three cents. That means that somewhere along the line, as soon as present stock is sold, right across the province, here in Toronto and in Sudbury, these cans are going up to 45 cents. I would just clear that up before there's another question.

I do believe, however, before I let the leader of the third party have the cans, that he should make an apology to the Carnation milk people.

Mr. Martel: Is it the responsibility of clerks in stores to set prices? Is that what the minister is telling us?

Hon. Mr. Drea: Mr. Speaker, in this case there is a price chart in the store. The clerk made a human error. The clerk can hardly be blamed if he put 45 on instead of 42. The store will give it back.

NUCLEAR PLANT SAFETY

Mr. Sargent: Mr. Speaker, a question for the Minister of Energy—

Mr. Speaker: We have about 30 seconds left in question period, if you will put your question.

Mr. Sargent: Is it correct that the stack monitoring system at the Bruce nuclear generating station is not operational and never has been? Is it correct that this monitoring system is supposed to warn the plant operators of excessive releases of radioactive gases? Is it correct that radioactivity could be released through the stack without the operators knowing it; that the operators are unable to take immediate defensive action because the monitoring system doesn't work and never has?

Hon. Mr. Auld: Mr. Speaker, I don't know but I will certainly inquire.

Mr. Speaker: The time for oral questions has expired.

Mr. Sargent: Mr. Speaker, I had not finished my question. I am entitled to a supplementary.

Mr. Speaker: Yes, you have finished your question. The time for oral questions has expired.

Mr. Sargent: On a point of privilege, Mr. Speaker, the Minister of Energy and the Premier (Mr. Davis) last week assured me that the extensive special incident reports of Hydro were public information. I suggest that the minister has been misleading the House by saying that I could have those reports. The Premier told me that I could take them home for the weekend. Either he is misleading the House or he doesn't know what the hell he's talking about.

Mr. Speaker: The hon. member knows that he shouldn't make those kinds of accusations. They are unparliamentary.

Mr. Sargent: What am I supposed to do then? He tells me one thing and I find it's not true.

Mr. Speaker: Say it some other way. Withdraw that.

[3:15]

Mr. Sargent: I withdraw the misleading part. Mr. Speaker, we are dealing with a very important issue. There was a quotation this week by a prominent Hydro authority, who said: "When you are up to your ass in alligators you sometimes forget that your main objective is to drain the swamp."

Mr. Ashe: Which one are you, the alligator or the ass?

Mr. Sargent: That is the situation today regarding nuclear power in this country, Mr. Speaker, and you sit there and block me from asking him a question affecting the lives of millions of people.

Mr. Speaker: The honourable member was obviously away in his riding last week on very important business when the Minister of Energy answered the member's former point of privilege. I don't know whether the minister wants to repeat it again, but it was actually done in this House. And don't blame the chair for trying to block you from putting a legitimate point of privilege; you had just as much opportunity as anyone else.

Does the Minister of Energy wish to elaborate on the full statement he made earlier last week?

Mr. Sargent: Let him tell me if these reports are available to the public.

Hon. Mr. Auld: Mr. Speaker, I think I covered the matter thoroughly last week, although perhaps I could look into the other part of his question as Minister of Natural Resources.

VISITOR

Mr. Speaker: I would like to draw to the attention of all honourable members that we have a former colleague sitting under the

Speaker's gallery; the former member for Algoma, Mr. Bernt Gilbertson, with his good wife, Mrs. Gilbertson.

REPORT

STANDING RESOURCES DEVELOPMENT COMMITTEE

Mr. Villeneuve from the standing resources development committee reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Transportation and Communications be granted Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, \$31,286,000; planning, research and development program, \$19,714,000; safety and regulation program, \$42,697,000; provincial roads program, \$429,190,000; provincial transit program, \$63,535,000; air program, \$4,289,000; municipal roads program, \$386,423,000; municipal transit program \$154,858,000; and communications program, \$2,076,000.

INTRODUCTION OF BILLS

EDUCATION AMENDMENT ACT

Mr. Stong moved first reading of Bill 70, An Act to amend the Education Act, 1974.

Motion agreed to.

Mr. Stong: Mr. Speaker, the act defines compulsory school age and guarantees every child of compulsory school age a right to an education.

ONTARIO HERITAGE AMENDMENT ACT

Hon. Mr. Baetz moved first reading of Bill 71, An Act to amend the Ontario Heritage Act, 1974.

Motion agreed to.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the interim answer to question 138 standing on the Notice Paper. (See appendix, page 1344.)

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

FOOD PRICES

Mr. M. N. Davison moved resolution 9:

That, in the opinion of this House, the government should introduce legislation to create an Ontario Food Prices Review Board

to protect consumers from unjustified, unfair or excessive increases in the price of food. The board should consist of five members. The staff of the board should be seconded from ministries and agencies of the Ontario government and the board should be able to engage on a temporary basis the services of persons having technical or specialized knowledge to advise and assist it.

The board should have the power: (a) to investigate, on its own motion or on complaint, costs, prices, profits and practices of any person or corporation engaged in the storage, processing, transportation, refrigeration, packaging, wholesaling and retailing of any food where a price increase has occurred, or where the board is of the opinion that a price increase is about to occur; (b) to inspect and examine any or all books, records and materials in the possession or control of any person engaged in the activities set forth in (a) and to require any other information from such a person that the board considers necessary; (c) to delay any increases in the prices of foods where an investigation by the board is in progress.

Where, after making an investigation, the board is of the opinion that a price increase is unjustified or unfair or excessive, the board should have the power to order a rollback, or where the price increase has not yet taken place, to order that the price increase not take place. Persons affected by an order of the board should have a right of appeal to the Commercial Registration Appeal Tribunal. The board should report on its activities at least quarterly and that report should be tabled in the Legislative Assembly.

Mr. M. N. Davison: Mr. Speaker, I believe we are currently caught in a price-based inflationary spiral in this province and in this country, and that food prices are leading the way at an annual rate of 21.7 per cent. This government has a responsibility and a duty to its citizens to do something about that fact and to take action to try to get this situation under control. I have put forward this resolution as a starting point for the government.

Last month the AIB 12-city index which established the 21.7 per cent level contained the following component index, which I think should be on the record of this assembly: Beef was up four per cent over the four-week period, for a yearly increase of 65.9 per cent. Pork was up 1.2 per cent and that led to 11.7 per cent over the year. Other meats rose 5.1 per cent over the month, raising their level to 49.3 per cent higher than the year before. Poultry was up 2.7 per cent, which led to a yearly increase of 33.4 per cent.

Eggs were up 0.8 per cent in the four-week period, and 9.7 per cent for the year. Cereal and bakery products were up 1.1 per cent in the four weeks, a 17 per cent increase over the year. Fresh vegetables were one of the few that went down, they went down 3.9 per cent in that four-week period, but over the year had risen 21.6 per cent. Fresh fruit was up 1.3 per cent over the month, and 12.9 per cent over the year. Beverages, while going up 2.7 per cent over the four-week period, actually were the only item on the component index to have fallen during the year; they fell 0.9 per cent from the March before.

The last AIB report showed that the weekly cost of a nutritious diet for a family of four in the city of Toronto had gone from \$51.43 in March 1978, to \$59.54 in March 1979. This is a particularly outrageous finding, and I will tell you why, Mr. Speaker. If we view it against a recent survey that was done in the city of Toronto by Martin Goldfarb, that survey showed that in the year 70 per cent of Torontonians had adjusted their eating habits simply to try to deal with the ever-rising prices of food. So while we find most of the people in Toronto, and I presume in the province of Ontario, have adjusted their diets to try to deal with increases in food prices, the prices escalate at remarkable rates.

While food prices rose 21.7 per cent in the last year across the country, third-quarter figures show that food store profits rose 37.9 per cent. If we can take one company as an example, I would like to take the Weston food conglomerate. In 1977, Weston recorded profits of \$27.4 million. In 1978, Weston recorded profits of \$50.6 million. That means that in one year alone Weston's profit level rose 84 per cent.

So we have this situation: Food prices increased 21.7 per cent, food store profits increased 37.9 per cent, Weston profits increased 84 per cent, and in the same period workers' wages went up 6.4 per cent. That is a crisis.

Earlier this month I sent a questionnaire to my constituents in Hamilton Centre, and they invariably have a good sense of what is happening in their city and in this province. I asked them who and what groups they thought were responsible for the huge increases we have seen in the price of food in this province and in this country. I took the three sectors, generally speaking: the farm level, the retail level and all of those in between.

The results have just started to come in, but I would be quite happy to share with the House the initial results. At the farm level,

only 13 of my constituents thought that the farmers were responsible; at the retail level, 89 of my constituents put the blame on supermarkets; and 122 of my constituents put the finger on the middleman level in between. I think my constituents are quite astute in their assessment of the situation. That is why this resolution addresses itself to the post-farm-gate situation.

Evidence of an unacceptable degree of concentration in the food industry has been coming out over the past number of years, part of it in the current inquiry into various practices. I don't intend to spend any time dealing with that question of concentration, with one exception a bit later on. It is well known that most of our chains in the country are both vertically and horizontally integrated to the detriment at least of consumers, if not one else, though I suspect many more.

Weston is a premier example. I will talk about Weston a little later on. If I can talk about another company, I would like to cite the example of Canada Safeway. Canada Safeway Limited is a wholly-owned subsidiary of an American company by the name of Safeway Stores Incorporated, which is the second largest retailer in the United States of America.

Canada Safeway owns grocery stores, fluid milk plants, ice cream factories, wholesale companies, coffee and tea plants, cheese-cutting plants, frozen food plants and beverage plants. The American parent company is also into, among other things, household chemicals and soap companies, and controls the largest private trucking fleet in the country. In 1977, Canada Safeway, that vertically integrated corporation, showed a return on investment of 27 per cent.

Many of our other corporations are horizontally integrated as well as those at the retail and other levels. One could consider the example of Del Monte, which has been raised in earlier debates in this Legislature. When Del Monte was competing with Canadian Cannerys, and having a decidedly hard time of it, it decided it would be a lot easier to buy them out rather than continue the competition. Del Monte proceeded to do so.

That has led to the rather interesting situation where we have well over 100 canneries in this country, but Del Monte controls over 20 per cent of the market. That means one company is in a position to set prices paid to farmers and to set the price that the consumer has to pay for all of those goods.

The large chains have gobbled up the small independent companies throughout Ontario and throughout the country at an alarming rate, whether it is the Weston takeover of

Zehr's in southwestern Ontario or the Dominion takeover of Hiway Market in the province.

The Minister of Consumer and Commercial Relations (Mr. Drea) and I had an exchange earlier this week—on Monday, I believe—about the effect of concentration, specifically dealing with bread. While I didn't have time in question period to share with him the brand names, I would like to take the time now so that he and other members can understand exactly what the problem was that I tried to point out in that rather constrained period of time.

The federal lifting of the subsidy was supposed to result in an increase of 3.2 cents, I believe, in the price of a loaf of bread, according to most predictions before the fact. The actual increase was frequently seven to 10 cents on a loaf of bread. If one looks at the Weston company, Zehr's, which is dealing in the southwestern Ontario area, one will find they had eight brands of bread on their shelves. They had Country Oven, Zehr's, Dietrich, Weston's, Wittich's 1812, Stone Ground and Christie's.

That looks like a great degree of competition and implies that the consumer has a pretty fair chance of not being taken by the amount of concentration in the industry; but in fact only Christie's bread was not baked by a company owned by the Weston chain. Seven out of the eight were Weston breads. [3:30]

Not only did Weston retail those breads, but if you take a look at the suppliers of the ingredients, Mr. Speaker, you can see it's a fairly cosy arrangement. The milk for those breads came from either Royal Dairy or Donlands Dairy. The flour comes from Soo Line Mills (1969) Limited or McCarthy Milling Company Limited; the sugar from Westcane Sugar Limited. The distributors are National Grocers Company Limited and York Trading. Every one of those companies is a Weston company. What we have is Weston supplying its own ingredients for its own bread, which it wholesales and retails. It's all one big happy family.

In the process, they take off the cream. They take off a profit at every single stage, with no necessity for competition along the line because of the involvement of an independent company. All the while, that creates the appearance to the consumer of real and fair competition—private enterprise—in that particular sector. In fact that's a myth that doesn't exist; the appearance of competition is provided without actual competition.

The effects of this kind of concentration and this kind of integration on consumers is

reasonably well documented. The minister and I had an exchange about certain federal government documents very briefly on Monday.

One of the component studies and reports for the AIB's work was the Mallen report. I'm sure the minister is familiar with the Mallen report. It showed that in 1976 consumers were being overcharged by at least four per cent on their food bills because of the high degree of concentration and integration in the food industry. What does four per cent mean in Ontario?

Four per cent on the food bill in Ontario means something in excess of a quarter of a billion dollars over a year. When we look at the effects on the consumer of that kind of concentration, you're talking about consumers being taken to the tune of something in excess of a quarter of a billion dollars a year in the province.

Numerous studies have been done in the United States, some of them by rather staid organizations. The FTC concluded, after studying 13 food lines in the United States, that American consumers were being overcharged by \$2.1 billion because of monopoly power in the food industry. A further FTC study estimated that if highly concentrated industries were decentralized food prices to the consumer in the United States would fall by 25 per cent. The FTC is not the most radical economic organization in the world; the crisis is quite clear.

Over the past decade and a half the Ontario Food Council has been charged with the responsibility for keeping an eye on the food industry. Peter Hannam, the president of the Ontario Federation of Agriculture, characterized the council's work as both irrelevant and ineffective. I think he's accurate in his assessment. The government has virtually ignored the problem over the past few years of ever-rising food prices.

It's only now, when public pressure has been built by organizations such as Women Against Rising Prices and many others, that the government has realized it can no longer ignore it and has to make at least some public attempt to deal with the problem.

What is the government response? They are going to monitor the situation. Consumers are going to have to pay for yet another monitoring scheme that's going to tell them what their weekly trip to the supermarket tells them: that food prices are rising at an incredibly fast rate. The scheme proposed by the government is not an adequate way to deal with the problem. It's just another in a continuing series of moves to get away from dealing with the problem.

Consumers in Ontario don't want another in a continuing cycle of non-productive and non-acted-upon inquiries, reports, studies and monitorings. They want one thing: they want action on food prices; and they want it now.

The government obviously doesn't agree with the consumers of Ontario. Last week the Minister of Agriculture and Food (Mr. W. Newman) was speaking—it's reported in the *Hamilton Spectator* of April 21. What was his response, on behalf of the government, to my proposal to establish an Ontario food prices review board? Let me read some of the things he's reported as saying:

I'm quoting: "I think we live in a free enterprise system and that's the one I believe in. Competition in the food industry is fair."

How about: "The government should not interfere with food retailing." Or try this for blaming the victim—and the minister was very good at it, he claimed consumers are partly responsible for those increases: "There are substitutes; but if the consumer wants to pay \$1 or \$1.30 for a head of lettuce, it's up to her." That's the response of the government. If you can't ignore it, Mr. Speaker, you blame the victim, the consumer.

The Minister of Agriculture and Food and his government choose to ignore the basic concept of the board as proposed by myself and my party. That is that its mandate, in the broadest terms, would be to protect consumers from unjustified, unfair or excessive increases in the price of food. If all those corporate citizens who crowd in between the farm gate and the supermarket checkout counters are good guys they've got nothing to worry about; if they're not ripping off consumers they don't have to worry, they won't be the subject of a board order.

An Ontario food prices review board as I propose it, is fairly clear from the resolution. I tried to make it as clear as I could in the resolution. It doesn't require a massive bureaucracy to operate. It's going to deal on a selective basis; it's going to move when there's a *prima facie* case of unfair, unjustified or excessive increase in the price of food, it's not going to investigate everything that moves in the province.

The board, as I propose it, will have the effect of holding down unwarranted increases because companies will know they could be the subject of investigation by the board and they are going to have to think twice or three times before they consider making an unwarranted increase in the price of food.

The board will very simply have the power to investigate fully. The board will have the power to get full and complete disclosure of information from corporations involved in the

food industry. The board will have the power to delay an increase while an investigation is going on. When the board finds that an increase is unfair, unjustified or excessive, it will have the power to roll it back. That is consumer legislation with teeth, and that's something this government needs to learn about for a change.

The legislative initiative is a step in the right direction. My resolution, calling for the creation of an Ontario food prices review board, provides a short-term method of dealing with one of the major problems that arise from the current government's food industry policy. That policy is going to have to be alerted. There is going to have to be a practical, fair and fundamental change in our food policy in this province.

Low, stable food prices, a secure and adequate income for the family farmer, self-sufficiency where possible in food, preservation of farm land and a shift away from large agribusiness must be the heart of a new Ontario food policy in the coming decades. We can no longer afford a policy such as that of the Conservative government of Ontario. It's a policy that is narrowly based. It's geared to supporting large agribusiness at the expense of the family farmer, the environment and the consumer.

Mr. Deputy Speaker: The honourable member has 45 seconds left. Does he wish to reserve that?

Mr. M. N. Davison: I'd be quite happy to give it up so that other members can participate in this important debate.

Hon. Mr. Drea: Mr. Speaker, I rise in opposition to this resolution, not because I doubt in any way the sincerity of the member in putting it forward and notwithstanding some of the remarks he has made about me.

In this regard I think like every member of the House, indeed everyone in public life today, he is concerned not only with the rising cost of food but the impact it has. However, I think it is incumbent upon me to point out that his proposed solution not only would be ineffective but also would ultimately mean higher prices for the consumer.

First of all, it would be very difficult for any provincial agency to effectively control prices established by the futures market. I know of no jurisdiction this board would have over such items, particularly sugar, cocoa and coffee. I know there has been a definite attempt to keep the producers' marketing board out of this, but the proposed board would not be able to control prices established at auctions, which is the most common way for establishing prices for red meat,

particularly beef, coming on to the market. The combination of those two, both the ones controlled abroad by commodities markets and beef here, does account for a large portion of the consumer dollar.

In addition, wage settlements in the food industry affect prices, and yet the proposal makes no mention of wage controls or guidelines—although I will give the benefit of the doubt to the view that the increase in wages, whatever it might be, would be considered a justification for the price increase arising from it.

The history of this is that there have been three federal attempts, three federal agencies established, to control costs to consumers in the food line. The federal Food Prices Review Board was not able to control food costs; nor was the Centre for the Study of Inflation and Productivity. Even the Anti-Inflation Board, the only agency with the power to roll back prices, excluded all produce and imported foods from its mandate. Even the food costs it did control continued to rise, perhaps not as spectacularly as today but on a very steady basis.

The cost of produce cannot be controlled by government any more than we can control the weather. The reason the cost of lettuce is high is that it does not originate from Ontario at this time; it originates primarily from the southwestern United States. There has been an extremely bad crop this year. When crops are wiped out south of the border, the laws of supply and demand force prices up here.

It would be unconscionable at this time of government restraint to impose the burden of another government agency on the taxpayers of this province. The remark has been made that I am putting on another agency. I am not; nor is my ministry. There is already a great deal of data in the marketplace; it is simply a matter of compilation and a method of getting it out.

As I have mentioned, many of the food items, particularly those that are the most volatile in pricing, are imported from other countries, or they are manufactured in other provinces. If we did have an Ontario food prices review board, what right are we going to have to go into Quebec and demand information from a processor or a middleman there? The member looks at me in amazement. There are lots of products put on the shelves here that are processed in Quebec. Is he going to go to Quebec and say: "Give me your books, Mr. Quebec Company, and everything else"?

Mr. Swart: That's a straw man.

Hon. Mr. Drea: It's not a straw man; it's a very essential point.

Mr. Swart: We're big enough in Ontario to have a real clout on retail prices across the whole country.

Hon. Mr. Drea: I think I'm big enough to have a real clout.

It is very difficult for a provincial board to demand that kind of financial data from people outside the jurisdiction.

Finally, the solution to increased food costs is not through government controls. The real answer—and it's not semantics—is selective shopping. The only way you can have selective shopping—in other words, buying the commodities and buying the products that are priced justly and fairly and forcing down those that are priced unjustly or unfairly by the very glare of the public spotlight—is to provide the consumer with as much necessary information as is possible.

Right now, one of the problems with food shopping is the aura of mystery that surrounds the marketplace: The product is here today, up there tomorrow, back down here the next day. Nobody can really understand.

The throne speech announced that we were going to do a monitoring program. The monitoring program is not going to make decisions for people; it will adequately arm them so that they can go into the marketplace and make the decisions they are capable of. They can see where the price increases are coming from. If the price increase is at the farm gate, then God bless the farmer, because he hasn't had many good years and it is about time he got a good return.

[3:45]

If indeed there is some hanky-panky between the farm gate and the time it gets on the shelf, then the consumer is perfectly capable of taking the appropriate action which will put an end to that type of nonsense. Indeed, even the proposer of this monolithic, tinkering, snooping board points out that the very fear of being caught will end a lot before it occurs.

One of the things I would like to talk about today, and I draw it to the attention of the member, is that one of his problems is he does not have accurate figures. I don't mean this in a derogatory way. Using 12 centres—I presume that is the Canada one—pork has come down almost six per cent in Ontario. I think realistically, when he is putting forward positions and saying people are changing their nutritional requirements in their diet, they are taking advantage of other types of meat that are going down, rather than coming up. That is another thing that we intend to do in this. It will be all Ontario, not weighted for British Columbia, not looking at New-

foundland. I sympathize with them but it is not the problem here.

I want to serve notice and this is a very good occasion. One of the problems with beef prices—and his beef prices are a little bit on the low side. I am not going to take any time today but I will certainly send him over the accurate ones—one of the real difficulties has been the steady increase in the retail margins between the processor and what the consumer pays for it.

Last December I was asked to produce a report on the status of beef prices and the markups in this province. I pointed out January 1 of this year that the spread was 54.7 cents. In the first week of April this year it was already up to 72.2 cents. That is an increase of over 30 per cent. That is contributing more than anything else to the relatively high cost of beef. Indeed, in that period of time the producer's share of the dollar has dropped by two per cent.

We are watching that extremely carefully. I expect, in the very near future, the supermarkets to do their duty, that that spread will start going down so the producer, particularly in the beef field where it is very well deserved, will be getting, quite frankly, his fair share of the market.

In closing, I would point out the responsibility for keeping food costs down is not going to be solved by the establishment of such a board. The responsibility ultimately lies with three groups. Industry must exercise restraint in its pricing policies and resist the temptation to catch up overnight, particularly in a case where federal subsidies are removed.

I can hardly see this provincial prices review board going down to Ottawa, whichever government is there after May 23, and saying to either Mr. Whelan, the incumbent, or to whoever his successor is, "Don't you touch that subsidy on milled grain, my friend, or we will"—

Mr. M. N. Davison: Why not tell Weston not to take advantage of that?

Hon. Mr. Drea: Oh, come on, please, please.

I can imagine that tremendous scene. There will be five fewer civil servants. They are going to put five on this board.

Secondly, government responsibility is to demand explanations of price increases from industry and to provide that information to consumers in a meaningful way, not on a weighted average, not on what a board decides on two or three commodities, but in a way the person can watch. They can watch the introduction of the product, they can keep track of seasonal variations, whether it

is meat or produce, whether it is canned goods or what have you.

Finally, consumers themselves; this is where we say, selective shopping having armed you with all this information where you do understand what is going on, you make your free choice in a free marketplace.

Any attempt there has ever been to control the price of food has been a disaster. The last real one was in the United States in the middle of the second Nixon administration. I look across at the member for Essex North (Mr. Ruston). I recall we were together in Lansing, Michigan, at the height of that and I can recall the restaurants didn't have meat because the farmers were withholding their food from the market because they couldn't get a decent price. This is precisely what this kind of board would inevitably do.

Mr. Breithaupt: Mr. Speaker, in the 1975 election we issued a booklet entitled, *Priorities*. We recognized at that time a need for a mechanism of some kind that would monitor price increases in order that the best interests of the consumer were served.

With respect to consumer protection, the booklet stated: "The Liberal Party believes that the people of Ontario must receive the highest possible quality of goods and services at affordable prices. We aim to protect consumers from unjustified swings in quality, safety and prices, whether for shelter or food, clothing or transportation, by setting standards and maintaining them. The Liberal government would strengthen the Ontario Food Council as a consumer watchdog to investigate unacceptable price rises and provide consumer information on food, quality and price."

Today's resolution shows the interest which the New Democratic Party, of course, has in this subject. We have been equally pleased to see that the Conservative government has realized the need for some action in the proposal which was set forth in the throne speech and was followed by the announcement in the *Toronto Star* on Tuesday of this week.

The food industry of Ontario and, indeed, of Canada is neither isolated nor self-sufficient. Inflation, the effects of weather and world commodity prices are all factors which cannot be ignored. Inflation has sent costs up at every stage of food production. We have found ourselves to be slaves to our climate in many instances where inflated prices of imports have occurred. This all leads to the attempt to find a scapegoat to blame or constantly rising prices.

Yet, Mr. Speaker, when you talk to various sectors in the industry, you find great difficulty in pinning the blame on anyone. Pro-

ducers are starving. Wholesalers claim to be taking only fair profits and apparently the supermarket business is said to be so tight and highly competitive that profit margins, we are told, have been trimmed to the bone.

How, then, does one deal effectively with increasing food prices? The member for Hamilton Centre commented on the increases that the Anti-Inflation Board saw last year and referred to the fact that beef prices rose 65.9 per cent in that period. Canadian shoppers spend some 13.1 per cent of their disposable income on food which is about the same as in the United States. No one escapes from that expense.

Let's consider the farmer, the first step in the production process. As the member for Hamilton Centre has mentioned, the investigations of this review board would commence after the farm gate, so that increases for the farmer would be protected. One of the biggest problems for Canadian farmers is that of import competition. They can be as hard hit by US and Mexican imports during our growing season as by the volume of those imports during the winter months and because of the growing periods at the time. So the blame isn't there.

The market boards are between the farmer and the retailer. They finance their operations by a levy which the farmers pay as a percentage of sales. We have some 23 such boards which, in 1976, handled \$1.5 billion worth of products. The idea of the boards, of course, is to provide fair returns to farmers and to attempt some price stability. While this might suggest farmers to be land barons who are trying to garner the best prices they can with monopoly control, that doesn't actually occur, least of all in the experiences we have had with the price of beef and our knowledge with respect to the three-year cycle that is involved in the pricing of that item. It may just be that the stabilizing influence on commodity prices is something which should be further reviewed.

At the retail level we've talked about excessive profits and we've had before the Legislature various leaders from that side of the operation who have commented upon the actual amount of the purchaser's dollar remaining for the company when all of the cost of goods and component parts are removed.

According to the Ontario Public Interest Research Group, more than 2,000 food and beverage companies closed in Canada between 1961 and 1971. They couldn't compete with the larger companies that were moving in at that time. The trend is certainly towards fewer corporations controlling more of the

sales. Right now, 1.5 per cent of companies in the food and beverage industry control 75 per cent of the sales. Forty-five of these 72 companies are foreign controlled.

In concentrated markets profits are high. In order to have higher profits you must have higher prices. This is not to accuse the food companies of conspiracy but, rather, such trends occur as a natural consequence of corporations controlling a sector.

Since 1935, there have been over six federal inquiries and a similar number of provincial ones into food policies and prices and nothing really has been done as a result. The fact is, there are no easy answers.

No government could pass a law which would make farmers, processors, retailers and consumers all happy at the same time. What does appear to be effective in the war against high food costs are the community groups which have been organizing boycotts against certain products whose prices have risen drastically and unjustifiably. According to the Brampton head office of Women Against Rising Prices, WARP, the prices of two beef items, blade roast and shoulder roast, dropped after they urged a boycott of any beef priced higher than \$1.79 per pound. After a two-week boycott of potato chips, the price of that product dropped, we are told, from 99 cents to 59 cents.

Under the Ministry of Agriculture and Food, there are over 40 governmental bodies to which provincial government either allocates funds or at least appoints some members. At least eight of these bodies could be similar in nature to the board proposed by the member for Hamilton Centre. They include the Farm Products Marketing Board, the Milk Commission of Ontario, the Ontario Apple Marketing Commission, the Ontario Cream Producers' Marketing Board, the Ontario Corn Council, the Ontario Milk Marketing Board and the Produce Arbitration Board. In addition, the eighth one is the Ontario Food Council which may have its operation somewhat changed, resulting from the report of the member for Lanark (Mr. Wiseman).

I have certain reservations about this resolution, that's true. I hate to think, for example, that this government is going to appoint five more of its friends to another board. I wouldn't want the board to duplicate any of the other activities which are necessarily being done. I would like to replace some of the existing boards, if that is going to be the thrust of this product marketing board, so that we would not have duplication.

We have to find out whether the current inquiry into food prices is going to bring in satisfactory results and have some actual

changes which would influence the need or otherwise for this board. However, if the proposed food prices review board can influence food prices in a similar fashion to the Brampton experience I have quoted, then it may well be our most effective tool. But the point is we need some kind of monitoring mechanism, because food is quite an unavoidable expense for all of us and particularly for those on fixed incomes who suffer terribly as the purchasing power for such an avoidable expense is eroded.

The only solution for some elderly people is to change their diets by diminishing and cheapening both quantity and quality. That is a consequence none of us would ever like to think could become a reality in a province of opportunity like Ontario. To this end, we welcome the concept of a consumer watchdog in this as a board or in any other acceptable form. I am pleased to support the resolution.

Mr. MacDonald: Mr. Speaker, I am sorry the minister isn't here because I wanted to begin with his statement this afternoon in my comments on this resolution. He is capable of extraordinary political footwork and he usually ends up by making the government look as though it's fairly good and even demanding resignations from the other side of the House for alleged misdemeanours.

The interesting thing in that case of the two Carnation milk cans is that the company contends that the correction was made at the wholesale level. This was their contention yesterday when the media got in touch with them. They didn't know what had happened at the retail level. The minister's explanation is at the retail level another poor clerk takes the rap. They made a mistake. This is the standard explanation we get time and time again when there is a mispricing; namely, that the mistake has been made by one of the clerks brought in on a part-time basis at a low wage for marking up prices.

Hon. Mr. Drea: It's a union company. You had better be careful.

Mr. MacDonald: Not with the part-time people, and it's the part-time people who are dragged in over the weekend and overnight sometimes to make many of these changes. I know something about the supermarkets. I have been looking at the supermarkets for quite some time in their operation.

Let's not be misled by the minister's fast footwork in dismissing this example because before the week is over and before the next few weeks are over, we will have many examples of consumer ripoffs in metrication. I am not going to take the time this afternoon

to document them. We will come to it in good time.

Hon. Mr. Drea: Give them to me.

Mr. MacDonald: The minister had his chance to speak. Now let him just listen for a moment.

Hon. Mr. Drea: Then keep your attacks to yourself.

[4:00]

Mr. MacDonald: This problem of what happens beyond the wholesale level or beyond the farm board level is something that we have talked about many times. Many times, for example, the milk marketing board has come to the government and said, "Why is it fair that you should regulate the price the farmer is going to get?" But there is no regulation at all, no investigation to find out whether there is a justified increase at the processor and the retail level. So they play games in terms of orchestrating prices in order to try to lure the customer in.

Some reference was made by the last speaker to the impact of the efforts of WARP, the group centred—it is all across the country now, but it was centred originally in the Premier's own home riding. The prices came down when they began to list and to boycott for certain weeks. When they list their products at the beginning of the week, these are the ones the supermarkets then seize upon as the specials—they reduce their price for that week in order to try to counter the boycott for that week. But, of course, the next week up it goes again.

There is a certain reality here we have to recognize in the nature of the food industry. The food industry is not only fantastically complex, it is also very significantly integrated. When one talks about a retailer buying from a wholesaler, and a wholesaler buying from a processor, and a processor getting that food from the farm gate by truck, one gets the image of hundreds, if not thousands, of middlemen involved there. The reality is that increasingly there are four or five conglomerates. The retailer is owned by a conglomerate, and the wholesaler he buys from is owned by the same conglomerate, and in many instances the processor the wholesaler buys from is part of the whole conglomerate—the Weston empire for Loblaws, the Argus empire for Dominion Stores.

So you can play games in orchestrating the prices, and not only at the retail level. It has been traditionally done at this level as was documented in one of the research studies for the farm income committee as far back as 1969. But you can play games back through the chain. What appears to be

a change in price may be a manipulated price between two corporations that are part of the same conglomerate.

Let me come to the minister's approach: his approach always is that the best defence is offence. The other day he thought he was setting us back on our heels by saying that very shortly he is going to unveil a great program—37 monitoring stations across the province—

Hon. Mr. Drea: Thirty-nine.

Mr. MacDonald: —getting facts on the pricing of food.

That will be fine; I will be the first to applaud if the minister sets up adequate monitoring and provides the information to the public. That will be something of a contribution because we don't know what goes on in the food industry. Beryl Plumptre's rather sham effort up in Ottawa—on one occasion she did venture into monitoring, on a comparative basis, certain supermarkets in Ottawa and Hull, but it stopped after a week. This "food basket," this hole-in-the-wall effort that this government has conducted for a long time—we don't know what stores they monitor, we have no information at all; all we get is their aggregate figure.

So in this monitoring system, if we get some more information about what is going on in the food industry, that will be good. But having conceded that as a minor step forward, I say to the minister that will not be good enough. Because then one has to rely totally on the marketplace to correct it, and the marketplace isn't going to correct it, even with the valiant efforts of WARP, the Women Against Rising Prices. They can't go on for ever and a day, having taken the initiative in trying to expose what goes on in prices and trying to expose the orchestration of prices by the supermarkets.

What we must have is some agency of government that has the power to move in and to investigate any unexplained extraordinary increase in prices and to expose it to the public. What is more, if such increase is not justified, that agency must have the power to roll it back. That is the proposition put forward in this resolution by my colleague from Hamilton Centre.

One must bear in mind that 80 per cent of the food industry lies beyond the farm gate; 80 per cent of the food industry lies in these highly integrated conglomerates. The retail outlets of those four or five conglomerates now control more than 70 or 75 per cent of the food retailing business in Ontario. There is no real arm's-length relationship in the purchase of that food, be-

cause they are buying it from another fellow in the conglomerate.

The net result is that the farmer often gets too little and the consumer is paying more than is necessary. Let me just pause and underline that: The consumer is paying more than is necessary. That remains a fact, even though it may be true in Ontario and in this country that less of our expendable income is going for food than in practically any other country in the world.

The consumer is paying more than is necessary because of the high profits that are found in the food industry; when representatives of the industry were before the committee, we found that their profits were in the range of 15 or 16 per cent. How much of that is drained off from the retailer into one of the other corporate brothers and sisters within the conglomerate, we do not know, because it can be so easily done.

The role an Ontario food prices review board will not be to establish an across-the-board price control. We all recognize that if we establish across-the-board price controls, we may correct some inequities to begin with but inevitably in a dynamic economy new inequities emerge, and we cannot get at them within the straitjacket that is being established. But with the flexibility of a consumer champion, an organization that has the power to zoom in whenever there is an excessive increase in prices to get the explanation for it and to roll back that price increase if the company won't move, is going to have a very salutary effect across the board.

We all know that, day in and day out, when we go to buy food at the supermarket, the price of the product that used to be 75 cents has suddenly become 95 cents. The only way we are going to be able to get these facts is through this kind of an investigation and with this power to roll back.

I note that my time is just about up, Mr. Speaker. I welcome the kind of support that has come from the Liberal Party. I think we can proceed with this proposal without waiting for the report from the royal commission that is looking at discounts, because that is a narrow part of a very great and complex industry. It is not going to deal with the whole industry; it is only going to deal with its discount aspects. This board is necessary as a champion to protect consumers, because the information the minister is going to rely on as the sole solution is hopelessly inadequate to do that job.

Mr. MacBeth: Mr. Speaker, I attack this resolution on the basis of my prejudices generally against agencies, boards and com-

missions. I think these types of bodies for the most part are the antithesis of good government. I might even refer to them in some cases—although, naturally, one cannot make wide, sweeping statements—as the bureaucrats' ripoff. That is a word I do not like, but it is one I have learned since entering this House, and I think very often these boards amount to just that; they spin their wheels, they burn a lot of rubber, they make a few backfires, but for the most part they go nowhere.

When I say "ripoff", naturally I am referring to my thoughts and convictions that most of these boards, agencies and commissions cost the public of this province much more than they save it. I think this is another example of what might be happening here. There is not only the cost of the operation of these committees, but there is also the cost borne by the citizens of the province in appearing before these committees, in preparing their work and presenting arguments of one sort or another. These costs add up to millions of dollars. Where does the money come from? Of course, these costs are added on to the cost of the service rendered, whether it is food, hydro-electricity, or no matter what it is.

Mr. Samis: It's those lawyers again.

Mr. MacBeth: My friend is right; the lawyers make a good thing out of these agencies, boards and commissions. I am probably speaking against my self-interests, but some of us do that around here occasionally.

Mr. Samis: Speak for the public interest then.

Mr. MacBeth: Let me refer, Mr. Speaker, to some figures I have here in connection with Ottawa's efforts on this matter. Establishment of an Ontario food prices review board would be a costly undertaking because it would inevitably lead to creation of a bureaucratic machinery.

Mr. M. N. Davison: Nonsense. All the staff is seconded.

Mr. MacBeth: They've got to be paid for. Don't be silly. The Federal Food Prices Review Board was given a budget of \$500,000 in 1973, and by 1975 the board had a staff of 75 persons and an annual budget in excess of \$2.4 million.

Mr. Swart: That's what you're going to set up without any teeth in it.

Mr. MacBeth: All right. Don't let the members opposite think this board they are proposing would operate for little or nothing.

Mr. Swart: Yours won't either if it's going to have 39 monitoring stations.

Mr. MacBeth: Don't let the members think it doesn't cost companies money to come before that board. The citizens of the province pick it up. I don't mind that. I don't mind paying \$2.4 million, or whatever the Ottawa figure was, if it would save the taxpayers of this country \$2.4 million in lower prices, but you and I know that's not the case. That's why I used the word "ripoff"—which I very rarely like to use—meaning that for whatever is put into this government expenditure you may return five cents on the dollar. That to me is absolute nonsense.

Let me give some examples of other boards, Mr. Speaker. The Canadian Transport Commission—the Speaker is very familiar with that—was originally set up to save the people of this country some money. It did one thing—or certainly contributed in great part to one thing: ruining rail passenger service in this country. The Canadian Transport Commission laid down so many conditions and made it so awkward the railways were glad to get out of it. I mention that as an example.

Mr. Samis: That's not a good example.

Mr. MacBeth: The Canadian Transport Commission is also interfering with Bell Canada. Contrary, probably, to the thoughts over there, I think Bell Canada is one of the best-run companies in this country. I wish we, as a government, at all levels could keep our prices down to the same extent as Bell Canada. Their rates have not increased one fraction of the amount taxes have gone up in this interval.

By way of an example of what they get into, I've recently had a little personal dispute with them. They wanted to charge me \$28 for transferring my telephone account from one name to another. It happened to be my riding office account. That's the sort of thing where the Canadian Transport Commission says, "Yes, you may do that. We will give your approval for that." Then it becomes law. They can't waive it; they just put the blame on the Canadian Transport Commission. It absolves the company—Bell Canada, in this case—from any responsibility in regard to it.

The point I'm trying to make is when you get boards like this operating somebody has to go into gimmick operations, make gimmick charges to make any money. Bell Canada is doing just that sort of thing. They're trying to sell coloured telephones and things of that sort.

We ourselves set up the Ontario Energy Board in this province. I don't think it's saved the people of this province nearly one portion

of the cost of operating that board. I say I'm sceptical; and my prejudices are showing.

Mr. Samis: That's for sure.

Mr. MacBeth: There's no question as far as I'm concerned that most of these boards are a bit of a fraud for the public. They cost the public far more for their operation—not only their own operation, but also the trouble they put the public to—than they ever return in the way of value.

Let's take a look, for a minute, at food costs. There are not only the three people my honourable friend mentioned when he referred to what causes prices to go up. There's another group in there that support them. They are the members' constituents; they are my constituents—they are the consumers. Consumers demand things today they really don't need but they want them for convenience sake.

A short while ago I bought a 75-pound bag of potatoes. That's the way to buy potatoes at a saving. You can buy them either at the farm gate or at one of the farm markets. There are many farm markets around. The public don't want potatoes that way today. They want them washed; they want them scrubbed; they want them pre-prepared. They buy them in a little package of three, all ready to go in the oven for baking.

That's why I say they are the fourth group we're talking about. They are the constituents. They want to buy them in small quantities; they don't want them in large quantities. They want them fancily packaged—and goodness knows, they're fancily packaged. They don't want potatoes in the way I mentioned—bought in a 75-pound bag; they want them flaked already so all they have to do is mix a little water with them.

[4:15]

Mr. M. N. Davison: That's not how we eat our potatoes in Hamilton Centre.

Mr. MacBeth: Those are the sorts of things that are causing the costs to rise in part. They belong to the fourth group, that is, public demand. When I think of all of the fancy products I see in the store I'm not surprised that costs are rising. There is a way to get around these things if one wants. One can still buy products at the farmers' market or at the farm gate or in quantity.

If we approve this resolution, we will simply be approving government for government's sake. We've had these commissions and boards at Ottawa. We've had them in various places. One of the reports in Ottawa, and I'll close with this states: "Based on a comprehensive investigation of 81 processors, eight wholesalers and 14 retailers, the

Anti-Inflation Board concluded that for the major Canadian food processors and retailers, overall net profit margins, measured by per cent return on sales, have varied little from historic norms during the recent upsurge in food prices. The consumer price index rose 27.2 per cent during the prices under study by the Anti-Inflation Board."

I have been reading from a study of profit margins in the food industry by the Anti-Inflation Board in February 1979. What I am suggesting to this House is that we can establish all the boards and commissions we want, but the reports we've already seen on this type of thing would indicate that prices in the food industry, as well as in many other industries, have not risen unduly in line with other things. I don't say we haven't got inflation—

Mr. M. N. Davison: They've risen 21.7 per cent as opposed to a general increase of nine per cent.

Mr. MacBeth: —we've got inflation, but these increases are not out of line with other things that we are buying. To impose a board of that nature, and many other boards and commissions that we have in this province—and I can be critical of the government for many of the boards we have—instead of saving the people of this province money is simply adding to the cost of operation—

Mr. Samis: Why didn't you do something about it?

Mr. MacBeth: —creating more red tape and is a nuisance. It is government for government's sake.

Mr. M. N. Davison: Laissez-faire is not the answer.

Mr. McGuigan: Mr. Speaker, I rise to support the resolution in principle but not in all of its substance. I share the member's concern about rising food prices, as a member from a food-producing constituency, as a farmer myself and as the elected representative of consumers who feel the adverse effects of the present rising food prices.

As a farmer representative, I can say that farmers do not fear the investigative powers that might be granted to such a board because they have nothing to hide and they are not making excessive profits, but they don't see the need for such a price review board because they feel that we already know the causes of rising food prices. We heard of the number of review boards that have preceded this one under discussion today.

Some of these results of the needed adjustments that are taking place in the food system are the cause of it. Clerking or work-

ing in a store or in a processing plant is no longer the subsistence level income that it once was. It is not on a par yet with industrial wages but if one looks back over the historical relationships, one will find that the gap has closed, and justly so. People working in this industry require decent wages.

I know myself from rising at two or three o'clock in the morning and going to market in Detroit, Windsor, London, Sarnia and sometimes Toronto and arriving at six o'clock to have the wares on display for the wholesale market, that the people engaged in that industry are just as skilled in their activities as are the people who work on assembly lines as machinists and tradesmen. They deserve to earn good wages. Consumers can't expect to escape the consequences of that. I'm afraid my friends on the left are often the first ones to complain about the results of that.

Farm labour deserves the same breaks, and in those fields where the producers are shielded from imports and where production is controlled to match demand plus a small overrun—and I emphasize that in every one of the quota-controlled marketing plans they do arrange for a small overrun—the farm workers do receive good wages. If the members doubt this, let them look at any farm paper and see the wages, fringe benefits and accommodations offered to herdsmen or to people who work with dairy herds.

Producers who don't have a favourable marketing situation—those who compete directly with the United States and Mexican farmers—can't afford to be so generous. We found this out when the farmers of British Columbia first joined the Farm Income Insurance Plan. They reduced their production to meet only the local demand, and the workers, the professional people, people from all walks of life, took to their cars and went over to Bellingham, Washington, to make their food purchases.

Fruit and vegetable farmers would love to pay industrial wages, but they find they cannot do so when they compete freely—that is, with very little tariff protection—with the United States, where the minimum wage is \$2.65 an hour, compared with our \$3 an hour, and the minimum wage in the United States is very poorly enforced. In the view of many observers, it's a matter of US public policy—unstated policy, mind you, but public policy nevertheless—to allow in Mexican workers; the figures vary, according to the authority, from four million to 10 million people.

One need hardly dwell on the effects of rapidly rising petroleum prices. Petroleum products are the raw materials in nitrogen fertilizers; in plastics for packaging fertilizers, supplies and foods; for making plastic twine; for making tires; for producing pesticides; and, of course, for transporting, drying and processing food. As these production prices rise, food prices will rise as a consequence.

In the foregoing, we are talking about fundamental economic shifts that have taken place. These are shifts whereby wealth is transferred from consumers to producers; I'm mainly talking about shifts from the people who use petroleum products to those who produce them.

The member nations of the Organization of Petroleum Exporting Countries have vowed that, as fast as we inflate the price of our food and manufactured products that we send them, they are going to raise the price of their oil.

We cannot escape those changes in food prices, but there are other areas that can be acted upon. It's not likely to happen, though, under this government because of its attitude which it has well shown over its 36 years in power.

When the allegations were made a year ago about discounts and allowances in the food industry, the government's reaction was that such practices were normal business practices. This government has taken refuge behind the Farm Products Marketing Act and has said to farmers: "Here is the act. Use it; it's your only defence."

I would submit that the Farm Products Marketing Act by itself is an excellent tool, but it's not the total answer. Marketing boards that go to a chain store and say, "We have a good supply of this product. Would you feature it? Would you give it more space? Would you advertise it?" do get good co-operation, and the chains do move great quantities of food. But they are not going to go to those stores the next day and complain to those people about their trading practices or about their terms of payment. That was the difficulty the old Ontario Council found itself in. It was constantly asking for co-operation and ignoring other factors.

I would point out that some chains in the past have had very good trading practices. They rarely asked for discounts and allowances and they always paid their accounts within days. But others engaged in questionable practices from time to time, and in the competitive situation that exists the practices

of one company soon become the norm for all companies. The result is that retailers with muscle gain unfair advantages over the small independents and competition is reduced.

The chain store people deny this. They point to low profit margins. They cannot point to business failures, though. In Canada we have national chains or semi-national chains, ones that are predominant in the east or in the west or right across the country. In the United States they have national chains; but they also have regional chains—that is, chains with 100 outlets or less—that tend to work even within a city or within a state or one or two states. These smaller chains cannot use the profit from a store in a good market to subsidize a store in a poor market. They can and do go bankrupt. There are one or two in bankruptcy at the moment.

In Canada our chains locate stores in advance of a city's expansion so that the stores are there before they need to be. This effectively locks out the independents. Because of the wide scope of their operations, they can subsidize a poor-paying store for many years. This is a luxury we do not need.

The major retailers also base their markups on a fixed percentage rather than on a net profit. Rather than lower a price to get greater volume and therefore a larger net profit on the operation, they maintain a percentage profit margin that must be met by the store management. They also measure store profitability by dollars of gross volume per hour of labour and per square foot of space. These practices put pressure on the store manager to raise prices rather than to raise his volume. The chains also consider only the cost of doing business from their wholesale warehouses—they operate out of central warehouses—or from the back door to the checkout counter of the store. They give little consideration to facilities or systems that will—

Mr. Speaker: The honourable member's time has expired.

Mr. Mancini: It's great stuff, Mr. Speaker. I think we should hear the whole thing.

Mr. Bolan: Give him an extension of time.

Mr. McGuigan: Thank you, Mr. Speaker. I agree with the remarks that have just been made, but I certainly bow to your wishes.

Mr. Swart: Mr. Speaker, obviously I rise to support the motion we have before us. I immediately want to associate myself with the remarks of the member for Kent-Elgin with regard to the fact that we are attempting here only to intervene in the process between the farm gate and the retailer, and that the blame for the tremendous increase in food prices which we have had over recent years is not

that of the farmer. Anybody who examines the figures will realize that the farmer's net income has barely kept up with the increase in the cost of living.

I am a bit perturbed by the comments of the Minister of Consumer and Commercial Relations, because what he has said here today is that the government puts its total confidence in the competitive system. He has said, in effect, that it works well and, if anything is needed at all, it is only monitoring of these prices; the competitive system will take care of all the rest. He says there is nothing wrong with what is happening at the present time.

I want to say that in my view, and in the view of our party, there is a lot wrong with what is happening. When we have a 21 per cent increase in food prices in any given year, when we have a 120 per cent increase in food prices since 1971, it is time we looked at some other method of protecting the consumers of this province.

Perhaps one reason the minister is not concerned—and I am disappointed that he is not here—is that this increase in the price of food falls most heavily on the poor in our society. There can be no question about that. Statistics Canada says a family making approximately \$7,000 a year spends something like 25.6 per cent of its income on food.

[4:30]

Those who are in the upper brackets, the higher levels above \$26,000, only spend 13.7 per cent. So, of course, it falls most heavily on those least able to pay; and, because it does, there is added reason that we should have this prices review board for food products. I suggest to this government that it is going to be forced into it. As these prices increase, as there are shortages, the government is going to have to intervene.

Although I was not in the House at the time, I can remember the arguments put up by the government over there against any form of rent control or rent review. They said: "Let the competitive system take care of it. It works fine. We have faith in the competitive system." We know what happened over there with regard to that. Eventually, because of the increases and public opinion, they were forced into some form of rent review, to intervene in that part of the economy. I suggest that they are going to have to do it in this area too.

One reason they intervened and went into rent review was that it was essential to people: "This is housing; we have to provide this at a reasonable price." Certainly the same holds true with regard to food, and there is a place to intervene for exactly the

same reasons that they intervened on rents, because to a much larger extent there was a monopoly, with bigger and bigger landlords controlling more and more apartment houses, and because there was no equal bargaining between the marketer and the consumer.

All the evidence we have before us at the present time, as put forward by the member for Hamilton Centre, indicates very clearly that that situation exists in the food industry. There is the degree of monopoly control in the industry, where something like 87 per cent of the supermarkets in this province are controlled by foreign corporations. I could give ample evidence and carry on with that theme, but I know time is just about running out.

There are other reasons for the present situation. One is that we have a largely foreign-dominated economy in this province and in this nation. In fact, that is the basic reason we pay far too much for our coffee.

When the Minister of Consumer and Commercial Relations was the Minister of Correctional Services, he said coffee was a ripoff and apparently got into some disagreement with the Minister of Industry and Tourism over making that comment. When he became the Minister of Consumer and Commercial Relations, even though the markup from the green beans is even higher in percentage terms than it was at that time and is just as high in dollar terms, he said there was nothing wrong with it.

The processing of coffee beans in this country is largely controlled by American corporations and, because it is, the markup in this country from the green beans to the retail price of coffee is double what it is in the United States.

We could take as another example—it's not in the food area, but I think it demonstrates what is happening—the automotive industry, which they like to tell us is competitive. In this country, the profits of the American-owned automobile industry are approximately 60 to 100 per cent higher than those of the same companies in the United States. Why? Isn't the competitive system working? No, it's not working. We need to intervene in it selectively.

We must recognize that we are not living in the conditions and the situations we were living in 50 years ago in this province. There has been, as the member for Kent-Elgin said, a great trend towards concentration. If the consumer is going to have some equal bargaining power, then the government must intervene on his side on occasion.

The resolution we have before us, as has already been pointed out, does not say we are going to have price control in this country. It does say that the government should give itself the power to intervene to protect the consumer when there are unjustified increases in prices. I suggest to them across there if they stand up and object to that or vote against it, they are quite satisfied to leave unjust price increases to continue.

Mr. Speaker: The time for this item has expired.

TRANSPORTATION OF RETARDED ADULTS

Mr. J. Johnson moved resolution 8:

That, in the opinion of this House, the government of Ontario give consideration, through the appropriate ministries, to providing legislation enabling mentally retarded adults attending provincially recognized training centres to be transported on local school buses; that flashing warning lights be used when they are embarking and disembarking; and that the cost for this service be arranged between the local school board, the bus-line operator, and the parents or guardians of the mentally retarded adult.

Mr. Speaker: The member has up to 20 minutes.

Mr. J. Johnson: The resolution I have just introduced, Mr. Speaker, calls upon the government of Ontario to amend sections of the Education Act, the Highway Traffic Act and the Public Vehicles Act to enable school bus operators to provide transportation to workshops for retarded adults.

As the members are aware, the adult rehabilitation centres provide assessment, training and placement designed to enable the mentally handicapped, and in some cases the physically handicapped, to enter the competitive labour market. For those who are not able to find employment and for those who have difficulties adjusting, the centres provide employment within their own workshops.

The 110 adult rehabilitation centres are substantially funded by the Ontario government through the Ministry of Community and Social Services and are mainly administered by local associations for the mentally retarded.

In urban areas where there is a public transportation system, the participants are encouraged to make use of these facilities. In rural and small urban centres, some adult rehabilitation centres make arrangements for the transportation of students with funds ap-

proved for this purpose by the ministry. In some cases this service is contracted out. In other areas, however, as is the case with the adult rehabilitation centre in Guelph, rural students who have not reached the age of maturity are transported on local school buses.

The problem this resolution addresses occurs once a student has reached the age of majority and the only accessible service or transportation in his or her area is the local school bus. Under the present situation, the parents or guardians of the mentally retarded adult have to assume the responsibility for the transportation of the student to and from the workshop. This can be costly and/or time consuming and places an undue hardship on the parent or guardian, particularly in view of the fact that school buses operate in most rural areas.

This problem came to my attention as a result of conversations with and letters from parents of mentally retarded adults in my riding of Wellington-Dufferin-Peel. In addition to their concern, as well as the concern of many parents in similar situations throughout the province, the cities of Stratford and Thunder Bay adopted resolutions requesting the Ontario government to provide exemptions, so the school-bus operators can transport mentally retarded adults to and from adult rehabilitation centres.

I believe the concern expressed by these municipalities and individuals is justified. The impediments preventing the use of school buses to transport mentally retarded adults are, in my opinion, based more upon technicalities rather than a conscious desire to prohibit their use, and if this is so, the existing legislation should be amended.

I am certain there is not a member in this House who does not recognize the important and beneficial service that the adult rehabilitation centres perform in assisting the more than 9,200 people using the workshops. In areas surrounding my riding there are six such centres, assisting some 350 mentally retarded adults. Many of these students rely upon the use of local school buses for transportation and it would be a shame if they were prevented from attending the workshops because of the lack of transportation. My resolution will prevent this from happening.

As I see it, the problem areas preventing or discouraging the use of school buses are the following:

(a) Although the Highway Traffic Act and the Public Vehicles Act do not specifically prohibit the transportation of other than school children in school buses operated by or under contract to the school board, an operat-

ing licence is necessary if a bus crosses a municipal boundary, which is often the case when students attend adult rehabilitation centres.

(b) A second section under the act states that the only time a bus driver can actuate his red signal lights is for the purpose of receiving or discharging school children. In the case of mentally retarded adults, the red signal lights cannot be used. It would seem to me, however, that if mentally retarded adults did use the local school bus, the red lights should be used to ensure the students' safety.

(c) Another cause of concern under the present legislation is the fact that the driver of the school bus is responsible for the conduct of student passengers, and some drivers may be reluctant to assume the responsibility for the mentally retarded adults. In its resolution, the city of Thunder Bay called for an addition to the Stratford resolution by adding "with additional supervision."

Though there is also some concern over the insurance needed to carry an adult mentally retarded person, the Ministry of Government Services insurance and risk management unit has reported there should not be any trouble with insurance complications provided the mentally retarded adult does not pay as he or she boards the bus.

I would think that an agreement could be made between the driver and the parent, if there is a perceived problem in the conduct of the mentally retarded adult being transported. In most cases there is no problem at all.

(d) Section 163 of the Education Act states that a school board may provide for the transportation of a resident pupil or children qualified to be resident pupils to a centre operated by a local association that is affiliated with the Ontario Association for the Mentally Retarded and certain other institutions. There is currently no authority to transport mentally retarded adults, and the key word, of course, is "adults."

(e) Section 147 of the same act permits the use of school buses owned by school boards for purposes other than the transportation of students, but the boards are not compensated under the current grant system by the Ministry of Education. There is also some doubt as to whether the school board has the authority to use its funds for that purpose.

My resolution does not call for the use of school-board funds; rather, it calls for an arrangement to be made between the parents or guardian and the school board or bus operator to cover all or some of the costs of transporting the mentally retarded adult. In

discussion with some of the people in ComSoc, they felt a broader definition of the term "guardian" could include their ministry and some transportation funds would then be available. As I understand it, a separate contract and payment is permitted under the Education Act with the owner of a bus if the bus is under contract with the school board, provided that the board agrees.

(f) I have already stated the Ministry of Government Services' opinion with respect to insurance complications. An additional problem appears to be related to the definition of the term "children." With respect to the Education Act, "children" is interpreted to mean a child who has not reached the age of majority. While most boards appear to consider the age of 21 to be the age of majority, the Ministry of the Solicitor General interprets the age of majority to be 18 in Ontario; in fact in some cases we say 19 is the age of majority. This is one problem which should be rectified in amending the legislation with respect to mentally retarded adults.

[4:45]

I do not see these points as being major impediments in allowing school buses to be used to transport mentally retarded adults. I believe the people of Ontario have shown great understanding and compassion in assessing those who suffer from mental retardation. The work of the Ontario Association for the Mentally Retarded is to be commended.

In asking the support of the members of this House for the resolution I have introduced, I am asking them to help rectify a problem that is the cause of considerable concern to the parents and guardians of mentally retarded adults.

Let me draw to the attention of members some of the comments I have received from people who face this problem. This is a letter from Virginia Kennedy, a trustee with the Wellington County Board of Education, in support of this resolution:

"As a trustee, I support the motion made by the Wellington County Board of Education regarding this matter; but in addition, as a citizen I also feel that this measure would not be just affecting a small number of people, but a large one.

"For many years, parents of retarded adults who lived in areas without public transit accepted their fate. The facilities available to those in rural areas were minimal. The lives of the persons affected this way can never be measured. However, if this government should see fit, many other lives can be positively affected and their contribution to society will be increased. I hope that it receives the support of all parties."

I have a couple of letters from constituents who are personally concerned. I will not use their names. One lady writes:

"I hardly know where to begin, but quite a few people wanted me to write to you and try to explain our problem. I have a daughter, Susan, who is 21 and retarded. She has been going to Guelph—22 miles—to school and has been picked up and returned in a small bus. Now, since she has turned 21, this is her last year at school.

"They have a wonderful workshop, but my problem is after they reach 21 the school board can no longer insure and transport them to Guelph. The school board say they are sorry but it is up to the parents to look after transportation."

I am just taking parts out of the letter, Mr. Speaker. She goes on to say:

"It isn't fair that our farm and country kids can't have the same advantages as city children. We would gladly help pay for the extra gas for the few extra miles. I approached a taxi company to find the cost; it would be \$22 a day and that is prohibitive.

"The workshop goes all year round, but we will gladly keep our children home in the summer holidays. Even three days a week would give them something to look forward to."

Another parent writes.

"I am writing to you about the retarded adults of Erin township and the lack of conveyance for them to attend ARC Industries in Guelph. My daughter, Louise, will be 24 on April 21 and has been home since she left school at 21. I believe there are quite a few here who would really appreciate a bus service for their children to attend the workshops. It is very important to the retarded adult to work. It makes them feel not so out of things and more like the rest of us.

"I know my daughter really enjoys the one day she goes, plus the salary. It is 15 cents an hour. Her eyes really light up when she shows us her pay packet. It means more to her than one realizes; after all, she did earn it by working, no charity.

"There seem to be services given for all sorts of things, maybe all very worthwhile. We parents of retarded adults who live in the country think it is important that they get involved and not be left to more or less stagnate at home as some of them are doing."

I've received a supporting letter from ComSoc, from Mr. Reilly, stating: "Alternative funding sources, other than through the Education Act, could be arranged for this category of passengers. As we discussed, these people are adults, and may be living

totally independent of parents or guardians, with their own sources of income. Also, this ministry does provide funding for transportation costs in approved residential and vocational programs."

Most members are likely aware of the resolutions submitted by the city of Stratford and other communities. The city of Guelph supported the resolution from Stratford, simply requesting the Ontario government to provide exemption so that adults could use the school buses.

On October 4, 1978, the Wellington County Board of Education endorsed the resolution. On April 3, 1979, I received a letter from Mr. Ron Corbett the superintendent of schools for the Welland County Board of Education.

He states: "The board adopted a resolution on September 25, 1978, supporting the resolution of the city of Stratford. The Wellington County Board of Education will stand by its decision to allow mentally retarded adults to ride the school bus if it is at no cost to the board and if legislation makes it possible.

"As a superintendent who is in charge of special education for Welland county, I personally support this position by stating that I have several requests each year to allow mentally handicapped adults to ride the school bus. I certainly can understand it can be a real hardship to rural people to have the school bus in front of their door and not be allowed to have their adult retarded sons and daughters ride on the bus to ARC Industries. I believe legislation should be passed which would make allowance for these people." He adds: "But it should not add any extra burden to local taxpayers."

On April 10, I received a letter from the Wellington County Board of Education concerning a special meeting held on Monday, April 9: "Received your letter of March 30 and the resolution which you have proposed concerning the transportation of mentally retarded adults in school buses." The board supported the resolution, provided it didn't add any cost to the board's budget.

In closing, I would like to pay tribute to Mrs. Virginia Kennedy, of Erin, a trustee of the Welland County Board of Education; Mr. Ron Corbett, superintendent of schools for the same board; Mr. Bill Forsythe, director, Mr. Douglas Hogarth, chairman, and other members of the Wellington County Board of Education; and to the many other citizens who expressed their support of this resolution.

I humbly request the support of my colleagues for this resolution.

Mr. Sweeney: Mr. Speaker, I rise in response to the very last statement made

by the member for Wellington-Dufferin-Peel. I most certainly intend to support this worthwhile resolution.

As a matter of fact, it seems as if the resolution shouldn't be necessary at all. Both from what the member himself has just explained to us, and in my discussions with quite a number of people, it is apparent this is one of those situations that almost everyone says is right and should be done. As the member has pointed out, what we have in front of us, however, is a series of technicalities that somehow have to be overcome.

It is my understanding that the Minister of Education (Miss Stephenson), the Minister of Community and Social Services (Mr. Norton) and the Minister of Transportation and Communications (Mr. Snow) all say it should be done. The various school boards have been contacted and the officials of the school boards all say it should be done. The bus operators themselves are not objecting, other than for the technical reasons that have been described. Our job here then is to clear away those technicalities. Surely, in a situation like this we must be able to do it.

I was particularly impressed with the fact that the member has come before us, not asking that an additional financial burden be placed on the school boards; many of us are aware of the present financial problems they have. He has very clearly outlined in his submission how the funding for this will be handled. I certainly can't see there would be any problem there.

I want to support this primarily because of what it says about our attitude towards retarded people. We have begun to make some serious moves in this province, in this society of Ontario, with respect to our retarded adults. Our history has not been good.

This Legislature has been faced, in the last year alone, with a couple of very nasty situations with respect to the retarded people of this province. Only a few months ago we had revelations made about retarded people being physically abused and emotionally abused in some of our centres. There was a hue and cry of protest go up from this Legislature that that should not be.

Then, just a few months ago we had the revelation that some retarded children were being sterilized and for reasons that had no medical basis. Once again the general tone from this Legislature was one of opposition to that. I could go on, but the other members are aware of these as well as I am. We've had those kinds of things, and that's one side of the picture.

On the other side of the picture, which doesn't get quite as much publicity, are some of the advances we've made with respect to our retarded people in this province. We have genuinely started to move people out of these large, impersonal institutions, such as Huronia and Smiths Falls, and we have moved them back into our communities—in many cases, back into their own families; in many more cases, into small group homes—and we've begun to discover that many retarded adults are quite capable of living by themselves.

Retarded adults are sharing apartments. They're sharing homes, living five or six to a home by sharing some of the responsibilities. Retarded adults are not just going to the kind of sheltered workshop that the member describes in his motion, but they're also going out to other kinds of independent work experiences. So we've seen those kinds of things happen and this is one more example of something about which we can say publicly we want to encourage it.

Here we have parents, who instead of allowing their retarded children to go off somewhere else and have someone else look after them, have kept them at home and have looked after them themselves and gone through all the turmoil of raising any child, retarded or otherwise. Here they are now, trying to get the best possible arrangement they can for their offspring. In many cases, as far as the parents are concerned, they still have a retarded child even though he or she may be 21, 22 or 23. The whole business about the age-21 barrier is totally inappropriate when you're talking about retarded people who are trying to get this level of training. Probably they should be more appropriately compared to students still in secondary school.

The whole point we're trying to make here is that this kind of training is something desirable and something we want to support. What's being asked for in this resolution, very simply? We have public school buses going right down our rural roads and, in most cases, with empty seats. We want to allow retarded adults over the age of 21 to be able to fill up these empty seats.

What can be the objection? The myth has long been exploded that retarded adults are a danger to children. As a matter of fact, I can see a very beneficial side effect from this. I can see our children coming to appreciate, coming to respect and coming to understand a little better retarded adults. They have very little contact with them otherwise. I can see this as a very beneficial living ex-

perience. It's not something to be avoided but in fact something to be encouraged.

On the other hand, we know that many of our retarded people don't have nearly enough contact with children and with other adults. This gives them an opportunity. We know, for example, that retarded children who are placed in regular schools make more academic progress than when they are in schools for the retarded only. This kind of interaction between the retarded and the non-retarded is a beneficial thing. I know that's not the purpose of this motion, but it's a beneficial side effect that we need to take into consideration.

[5:00]

I also want to highlight the point about being supportive of the parents of the retarded. They face many difficulties in raising their retarded children and young adults; there are so many problems. They have extra costs, and in some cases they have difficulties with their neighbours and friends over the very fact that they are taking on this extra burden, this extra challenge, of raising a retarded person.

Surely we should be prepared to go out of our way to say: "We appreciate what you're doing, we appreciate that you have taken this responsibility on yourself, and we want to support you." I was amazed at the point the member made, that one parent of a retarded person would have to pay \$22 a day to get him there by taxi. There is no way we can justify that kind of expense for the parent of a retarded adult.

Very recently in my own community we had an experience which at the beginning was a little distasteful. The Mennonite community wanted to set up a small group home for retarded adults. There were four families in the immediate area who protested and, even though the local council had supported it, they were going to take it to the Ontario Municipal Board. It was uplifting to see the other neighbours in that area gather around and be supportive of this home, to go into the homes of their neighbours who had opposed it and bring to light what was being done here, what the suggestion was, what the alternatives were, and to calm their fears. The result was that the four objectors, each and every one of them, withdrew their objection, and that home is going to go ahead.

It's that kind of open education, that kind of openness to the whole realm of who the retarded are, what they can do, the kind of support they need, and the willingness on the part of their parents and themselves to look after them, that we want to support.

This is one more small step in that direction. I heartily support it, and I compliment the member. I want the member to know that my colleague from Wellington South is also very supportive of this.

Mr. Acting Speaker: I would like to ask the member for Wellington-Dufferin-Peel whether he wishes to reserve any of his three minutes that were left.

Mr. J. Johnson: No, Mr. Speaker. I'll allow some other member to use it.

Mr. R. F. Johnston: Mr. Speaker, I also rise in support of the resolution that is before us. It is of concern to me that the resolution is even necessary when for years we have known that mentally retarded adults in rural areas have needed exactly this kind of transportation.

It's not that the attention of the ministers involved has not been drawn to the failings in the Highway Traffic Act and the Education Act and to the things that are needed to allow mentally retarded adults to use buses normally used by school children. It seems a shame to me that it has to be raised at this time at all and that the prodding from Stratford, Thunder Bay and other local jurisdictions was not enough to get the changes that are necessary brought forward by the ministers themselves.

I also wish we had before us the report on transportation for the handicapped, which we were expecting to be brought forward by the Minister of Transportation and Communications at Christmas, and which in some instances would include reports on the inclusion of mentally retarded adults as well as physically handicapped individuals. I wish that report were before us now so we could see what its recommendations are; they might have been useful.

On the whole, I find the tenor of the resolution totally satisfactory, and I am pleased that the explanations were given as to the particular technical failings in the acts mentioned. I have only one concern, and it is in terms of the economics of it. It's not as clear to me, as it seemed to be to the member for Kitchener-Wilmot, that there will not be some cost to local school boards from the definitions as it's laid before us. Perhaps in the three minutes that are available to the member he might take some time to explain that to me a bit better.

It's important, as the Liberal member mentioned, that there should be no increase to the school board in its mill rates. I think it also important we not have any possibility that parents and guardians on an individual basis have to do some negotiating with a

local school board and a local bus company. It is important it be defined very specifically that it be the Ministry of Community and Social Services that bears responsibility for this funding and that be made very clear in some way or other.

I have had some experience dealing with the mentally retarded in rural communities. I myself did a checkup with some of my contacts in Durham and Peterborough. Both groups support what the member is saying. They gave me instances similar to the particular examples the member gave of financial hardship to individual parents of retarded adults. They also mentioned to me that at the moment there are a number of jurisdictions turning a blind eye and allowing mentally retarded adults to use the bus system. I sure hope that continues until this is straightened around.

My concern at this point I suppose is with those who are less well off in the rural communities, and who do not have funds to transport people even at a lesser cost than the \$20 a week the member was talking about. They tend, therefore, to maintain the mentally retarded child on their premises and don't give them access to the kind of upgrading and development needed. I would again stress those are the people I am concerned about, those who would be hurt if it is not made absolutely clear that all mentally retarded adults are eligible for some sort of financial assistance to enable them to use these bus systems.

I am going to be very brief on this, because we seem to have unanimity at this point. I just wish to say I commend the member opposite for bringing this forward at this time. I am not going to go into any other detail about the definition of the word children or that sort of thing; I think he handled that well. I would just say I support this motion, with the proviso that it be very clear there is no doubt about the financing for it.

Mr. Watson: I rise in support of this particular resolution. I would like to congratulate and commend the member for Wellington-Dufferin-Peel (Mr. J. Johnson) in introducing this type of resolution, bringing this sort of thing to a head, if you will, Mr. Speaker. It is a thing which of necessity must be changed.

We realize it is a problem primarily in the rural areas in Ontario. Some of the people who live in the metropolitan area might have difficulty in understanding some of the transportation problems of these mentally retarded adults getting to and from their work, but they must realize it is not the same as it

would be in a metropolitan area. It is not a matter of debating whether or not we are going to have a five-cent increase in fares on the TTC, it is a matter of whether one has anything or nothing.

The problem, of course, is that a lot of these people are located on school bus routes, but unless the boards are prepared, as stated by the member opposite, to turn their heads the other way and not pay any attention to the regulations they are not allowed to ride the bus.

We do have in Ontario, under the Ministry of Community and Social Services, about 110 adult rehabilitation centres. They are being provided at a fair expense. It is therefore only good reasoning to insist the money spent on this is wisely used, and therefore we should have as many retarded people as possible taking advantage of these facilities.

In some cases individuals spend years in schools for training the retarded, and while they can't go into traditional labour markets, rehabilitation centre industries do provide what is called sheltered employment. What a waste of potential and loss of energy when the trained adult retarded person cannot take advantage of the workshops in the adult rehabilitation centre industries.

It has been stated that section 163(3) of the Education Act enables a secondary school board to transport resident pupils or children qualified to be resident pupils to Ontario Association of the Mentally Retarded centres. Of course the operative word here, as pointed out, is "children." There is no authority to provide for retarded adults. I think we all agree that it's really the mental age we should look at in this case, rather than age as we normally refer to it.

The Highway Traffic Act and the Public Vehicles Act don't prohibit the transportation of the mentally retarded on school buses, except that where that bus crosses municipal boundaries a licence is required.

It's been stated that the decision to carry retarded persons should be left up to the individual school boards, but why not remove the obstacle and amend the Education Act as well and allow buses to cross these municipal boundaries?

It's also been stated that several municipalities and councils have demonstrated support for this resolution. Some education boards directly affected by these matters have shown great sympathy for it. Certainly, the changes which are being contemplated by this resolution are not ones which are contrary to public opinion.

In the matter of insurance, the insurance and risk management unit of Government

Services doesn't anticipate any insurance complications provided no fare is charged as the mentally retarded board these buses.

A small thing perhaps, but as a net result of this resolution, there would be, in the overall economy, a slight reduction in energy costs. It may be seemingly insignificant, but this point at least warrants mention in a period when we are preaching the conservation of energy; it is a means to reduce the number of vehicles on the road.

There are perhaps some objections to the adoption of this resolution we could think of, but I believe they can all be countered.

Adult workshops and training centres operate 12 months a year, where school buses run for only about 10 months.

The resolution is not asking for miracles, just to utilize what is obviously a less costly service than having some alternative transportation for these people.

Some people would say that the school bus service might be inconvenienced. Well, I don't buy that, because the primary use of the buses wouldn't be altered; it's a very small change. The mentally retarded adults would board and discharge in the manner so as to not adversely affect the regular transport of students.

There might be a reluctance on the part of some drivers to carry mentally retarded persons and this reluctance would stem from the fact that drivers are responsible for the conduct of student passengers. Perhaps in some cases extra supervision would be required, but for the most part this resolution will affect only moderately retarded individuals and this isn't a great number.

On the matter of the flashing red signal lights that only can be activated for school children, why anybody would be against changing this particular policy is beyond most people. The argument of age comes into play, of course, but retarded persons don't have that mature mental age as do other adults. The restrictive lights are for children who may not be attentive enough to watch for passing cars and surely it's a concern, whether the mentally retarded are less advanced adults or whether they are children. I think that privilege should be extended.

In many instances I guess the problem can be reduced to a matter of dollars and cents. Some would say that the Ministry of Education, by providing grants for transportation of the mentally retarded non-resident pupils or adults, would become vulnerable for requests from other similar groups. In our world today I don't think it's very hard to separate these people out. We tend to compartmentalize a lot of things in our society

today; surely we can distinguish this group from the others on the basis of their very special needs.

Section 147(22) of the Education Act permits the use of school board-owned buses for the purpose other than transportation of pupils, but of course the grant system would not allow compensation. Most of the extra cost, however, would result from a minimal increase in gas consumption; there would be a small amount of extra distance to the centres in some cases. This cost could be absorbed by the school board—and again I'm not saying how. After all, these people do pay their taxes through the municipal taxation system. It might be done through the training centres themselves. Regardless of the mechanism for funding, there's no question that it's still going to be considerably less expensive to transport these people on the vehicles that are already there, rather than in the private vehicles or the adult rehabilitation centre service vehicles that we have across this province.

[5:15]

I think this resolution is an excellent step to correct a matter which has perhaps got locked into legislation and was not seen at the time it was drawn up. I am therefore very happy to stand and speak in support of this resolution from our honourable member.

Mr. Riddell: As the member for Wellington-Dufferin-Peel well knows, I intend to support this resolution. I had some dialogue with the minister during his estimates on this very matter and I was given a glimmer of hope that he may well make a few minor amendments to existing legislation in order to permit red flashing lights on the vehicles transporting mentally retarded adults—and I might say children as well—to and from the training centres.

I have heard a lot today from the previous speakers about mentally retarded adults. Let's not forget that at some of these training centres we also find mentally retarded children who are going there for an education because there are no other facilities provided for such children. Arrangements have been made through the various boards of education to have teachers come into such training centres, such as ARC Industries, and teach the basics such as reading, writing and arithmetic some time during the day when these mentally retarded children are also learning certain skills and learning ways in which they can be gainfully employed.

I have also heard an awful lot about mentally retarded people but very little about physically handicapped people. Let us not

forget there are probably just as many physically handicapped people attending some of these training centres as there are mentally retarded people. So I think we have to broaden the resolution somewhat to include the safe transportation of handicapped people.

I don't particularly like the restriction we find in the present resolution where it states that mentally retarded adults attending provincially-recognized training centres are to be transported on local school buses. I happen to know in my area that some of these associations for the mentally retarded find they can operate their own vehicles more cheaply and more conveniently than they can by utilizing the services of existing transportation vehicles. If that's the case I see no reason why these vehicles shouldn't be permitted to have the same chrome and yellow colour, to have the red flashing lights both at the front and the rear and to have the sign saying "Do not pass when red lights are flashing."

I commend the member for introducing this resolution. If it takes a resolution by a Conservative back-bencher to bring about a very minor change in the Highway Traffic Act to permit safer transportation of mentally retarded children and adults and the physically handicapped as well, then I say God bless him and good luck. But I hope it's not another two years before the minister acts.

The reason I say two years is that in April 1977 I was made aware of an accident that happened when a mentally retarded adult was disembarking from a bus and was hit and somewhat seriously injured. I brought that accident to the attention of the minister on April 27, 1977. I indicated in my letter that I was surprised to learn the typical alternating red flasher lights were not permitted on the buses which transport mentally retarded children and adults to and from their schools and workshops.

I received a letter back from the minister, dated May 4, and he stated: "The Highway Act provides that only school buses may be equipped with and utilize the red flashing lights and markings provided for in section 120 of the Highway Traffic Act and its regulations." He goes on to name the regulations, defines a school bus entitled to use such equipment and markings, and the flashing lights to be placed in the position set out in regulation so and so.

Then, he goes on to state: "Recent amendments to the school bus stopping law has restricted the use of a chrome-yellow bus and the flashing lights to vehicles used to transport children to and from school. These

amendments were designed to clarify and emphasize to motorists the vehicles which constituted a school bus. There had been confusion in the minds of motorists as to where they should stop and the type of vehicles which they were required to stop for on highways in Ontario. Accordingly, only a school bus can be chrome-yellow and bear the words 'Do not pass when signals flashing,' or the words, 'School Bus.'"

That may have been all well and good when the Highway Traffic Act was first drafted to provide for these safety features on school buses, when the schools were centralized and the young people had to be transported to school by bus. However, in relatively recent years we have seen a real outcrop of associations for mentally retarded and physically handicapped people, and I see no reason why we cannot amend the existing legislation to provide for the safe transportation of these people. The minister simply stated what is in the existing legislation and was prepared to leave it at that. He didn't indicate that he thought maybe there should be a study done, or that it wouldn't be difficult to amend the act. It seems to me as though he quickly read the letter and then everything ended up in file 13.

On February 8, 1978, the South Huron District Association for the Mentally Retarded drafted a position paper and sent it to the minister. In it they said: "We are puzzled with the Ministry of Transportation and Communications' policy regarding the use of alternating red flashers. The province of Ontario permits use of these flashers on school buses for their passengers. Handicapped individuals, with either physical and/or mental impairment, generally require a greater time to mount and depart from vans or buses than do most non-handicapped school students. It has been our observation that motorists either approaching from behind or in front of our stopped vehicles are often confused as to whether they are required by law to stop until passengers either mount or disembark from the vehicle.

"Therefore, our concern for safety is two-fold; firstly, for the handicapped passenger and, secondly, for the motorist who is frequently torn between the decision as to whether to stop or proceed."

It goes on to indicate that within the last six months there have been two bus mishaps which could have been avoided had the use of the alternating flashing mechanism been allowed for the buses transporting the handicapped persons from the adult rehabilitation centre to their homes.

We know there tends to be a lack of quick decision-making on the part of mentally retarded people—I know for a fact that in many cases they have disembarked from the bus, endeavoured to cross the road and, for some reason, have turned around and come back. That is something regular school students do not do; they normally make a quick dash across the road.

Taking into consideration, in many instances, the lack of rapid decision-making on the part of mentally retarded people, surely if anyone needs protection when getting off or onto the buses, it is these people. Why it has taken the minister so long to realize this and make the minor changes to the existing legislation, I have no idea.

As I said, that position paper was sent to the minister. I know my time is running short, but I would really like to go through all the correspondence I have had with the minister on this over two years and also, that the South Huron Association for the Mentally Retarded has had with him. They are not going to give up; they have drafted a resolution, and we heard from the member for Wellington-Dufferin-Peel about the resolutions that were drafted by other associations for the mentally retarded. I know the regional associations drafted a resolution. It went to the Ontario Association for the Mentally Retarded. I am going to read the resolution that has been nicely drafted and sent to the minister.

"Whereas there is a great need to provide maximum safety levels for handicapped persons travelling on association buses; and whereas it is necessary to clear up the confusion of the use of the alternating flashing lights, front and rear, and the colour of these lights and of the bus exterior; and whereas it is generally agreed that as the Highway Traffic Act provides for the safe pick up and discharge of school children from school buses that handicapped passengers should be entitled to the same rights; and whereas the lettering, 'Do not pass when signals flashing,' and, 'This vehicle stops at all railway crossings' would increase the safety margin for buses transporting the handicapped; therefore be it resolved that approaches be made by the Ontario Association for the Mentally Retarded and all other provincial and local associations for the mentally retarded to the Ministry of Transportation and Communications demanding that the Highway Traffic Act be amended to include the use of: (1) alternating flashing lights, red in colour, mounted on the front and rear; (2) chrome yellow bus exteriors trimmed in black; (3) the lettering in black, 'Do not pass when signals flashing,'

and, 'This vehicle stops at all railway crossings.'

Mr. Speaker: The honourable member's time has expired—about one minute ago.

Mr. Riddell: Thank you, Mr. Speaker. That was the resolution submitted by the OAMR, and I sincerely hope that with the resolution of the member for Wellington-Dufferin-Peel, and with this resolution, the minister will act and act quickly.

Mr. McClellan: Mr. Speaker, I am pleased to rise and take part in the debate. I intend to support the resolution. I think the member for Wellington-Dufferin-Peel has done a good service in bringing this particular problem to the attention of the government.

I have some concerns about the third part of the resolution, respecting financing. The member dealt with that, in part, when he was making his own contribution to the debate. I want to make one thing very clear; if there are additional costs to be borne through the development of an adequate transportation service for mentally retarded adults, it should not be borne by their parents or guardians.

Secondly, I do not think it is a particularly helpful suggestion that costs be borne by local school boards on the mill rate. I would have wished the honourable member had simply said something like the government should make the necessary arrangements to provide financing for such a service, instead of spelling out two regressive ways of paying for it—through the local school boards and through charging the parents or guardians of the mentally retarded adults who will be using the service.

I present my support to the member for the notion that school buses ought to be available to provide transportation for mentally retarded adults, and, secondly, that flashing signals should be made available through whatever changes in legislation are necessary to permit them for this transportation. I say to the government we are not prepared to accept an increased financial burden being imposed either on school boards or on parents or guardians of mentally retarded adults.

[5:30]

It is ironic, as the member for Huron-Middlesex was pointing out, that it requires a government back-bencher to try to prod the government into dealing with these problems. The Williston report which laid down the blueprint for normal community living for the mentally retarded was produced eight years ago, and the government made a commitment to implement the Williston program five years ago. And here we are in 1979—five years after the green paper

that committed the government to moving in the direction of normal community living for the mentally retarded—still dealing with a major component of the normal community living program. We still haven't got around to putting all the pieces of that program in place.

One of the pieces that still isn't in place is the very basic necessity of an adequate transportation system, particularly in rural communities. It's no hell in the urban areas either, let me tell you Mr. Speaker, it's not all that great; but I know how difficult it is in many rural communities throughout the province.

The whole normal community living program is based on the assumption that for every mentally retarded adult who returns to the community from an institution—returns either to his own family or to a group home—there will be a place for him or her in a workshop. That's the foundation of the program; that before someone is moved out of an institution there will be workshop space for them. And once the workshop space has been located, the residential accommodation is located, either back with his or her own family, or in a special group residential facility.

Surely it would occur to the government planners, surely it would occur to somebody in the ministry, that it might be a nice idea if there were an adequate way of getting from your home to your workshop—if there were a transportation facility available for each and every community that has a workshop program. I don't think that's really stretching the ingenuity of the government planner. I don't really think that's imposing an extraordinarily onerous intellectual burden on the government to put an adequate transportation service in place for mentally retarded adults—and for mentally retarded children, as a number of speakers have pointed out. There are many communities where it is a problem for parents to make transportation arrangements for their children, as well, from the home to the educational program.

How can you talk about running a program of normal community living if something as basic and as essential as transportation service isn't provided? I find it really incomprehensible that we have to be even talking about this issue five years after the government said it had made a major commitment to move into normal community living for the mentally retarded. I find it absolutely incomprehensible that after five years and so much rhetoric about their commitment to the program and to the concept

of normalization we still have a major problem in transportation services for the retarded.

My friend from Huron-Middlesex said it and I want to say it again—because there's unanimity on this side of the House on this question—how long are we going to have to wait for the government to act? It's no big deal. It's no big deal to change the legislation to do what the resolution says needs to be done.

The minister wants to bring it forward. He has our assurance, and he has heard the assurance of the Liberal Party that there will be support. There's no big problem. We all recognize the need; it is self-evident. It's too bad none of the ministers are here—they rarely are for private members' hour.

I don't think it's necessary to use up my full 10 minutes. I think there are probably other members of the House who want to speak. I think I've made the point: We support the resolution. It is a self-evident necessity that shouldn't require a resolution in private members' hour. The government should have the simple decency and common sense to provide transportation service.

The second caution I want to repeat is that we hope that measures will be brought in quickly; and most important that the burden of paying for those transportation services will rest where they belong; that is to say with the government of the province of Ontario and not with the local school board, and especially not through the imposition of additional financial burden on the parents or guardians of mentally retarded children or adults, who already have assumed a great burden and responsibility in caring for their retarded children in their own homes.

Mr. Lane: I am pleased to have this opportunity to make a few comments on the resolution introduced by my friend and colleague, the member for Wellington-Dufferin-Peel.

One thing that strikes me as strange, Mr. Speaker, is that some members across the way seem to think the government backbenchers should not be bringing forward issues of concern of this nature.

Mr. McClellan: It's too bad they have to.

Mr. Lane: I think it's our right to do so.

Mr. McClellan: I'm glad he did; I said that.

Mr. Lane: I don't think it should be any surprise; we're very human people over here.

Mr. McClellan: The problem is with your do-nothing ministers.

Mr. Lane: Other speakers have dealt at length with the Highway Traffic Act, the Public Vehicles Act, the Education Act, and the need to amend some or all of the above-mentioned acts; so that school buses can cross municipal boundaries if necessary to pick up mentally, or in some cases physically handicapped persons as was mentioned a few moments ago; and of course to allow these buses to use the red signal light when picking or discharging these persons.

In many cases, the mentally retarded adult is never able to achieve a mental level beyond that of a child, so why should they not receive some of the benefits of the transportation and protection provided for a child?

I would like to depart for a moment from the resolution itself and speak to the reasons for it. I'm sure that almost every member in this House has at one time or another been involved in programs to help mentally and physically handicapped people. I know I got involved on a Flower of Hope school which started in my home town of Gore Bay some 15 or 20 years ago for the retarded children on Manitoulin Island. It was one of the more rewarding experiences in my lifetime. I'm pleased to say this school has operated very successfully ever since.

Back in those years these children were not taken into consideration in the general education program. We had to go out and knock on doors and raise money to hire a teacher and rent a space to provide this type of a facility for these children. These children, of course, are now retarded adults in the workshop.

Also, Mr. Speaker, I worked with the two ARC industry operations in my riding; and more recently I've assisted somewhat in getting a farm-oriented, resident workshop set up for the retarded adults on Manitoulin Island.

All of these things have given me a great feeling of satisfaction and a much greater reward than many other projects I've worked on very long and hard. I think it's something we feel inside ourselves when we do these things that makes them worthwhile.

Mr. Riddell: Notwithstanding the fact that it helped to get you elected.

Mr. Lane: It is very unfortunate that a certain percentage of our population have, and will continue to have, a degree of mental retardation, but this does not mean that these unfortunate people cannot live useful, rewarding lives. I think it's fair to say that this government has been very aware of the need for assistance in this field. As a result, many physically and mentally handicapped

people are now enjoying life and living near-normal lives.

I think it would be unfortunate indeed if, after the Ministry of Community and Social Services effort to provide the proper facilities to accommodate mentally and physically handicapped persons, it was found that some legislation in another ministry prevented handicapped people from attending these facilities due to the lack of transportation. I trust that the necessary changes can be made in present legislation so that transportation can be provided for those persons, who otherwise may not be able to attend those facilities, which of course add much to the lives of those people who are less fortunate than ourselves.

I can appreciate that many of the members coming from urban areas really don't realize the great problem that my colleague has put before us today. In the rural areas of this great province of ours, and especially in the very sparsely populated parts of northern Ontario, this is indeed a real concern and a real problem.

I would just like to say again I think there is no greater feeling of satisfaction than that which comes as a result of helping those who, through no fault of their own, are unable to help themselves. I trust everyone in this House will support this resolution.

Mr. Stong: Mr. Speaker, I congratulate the member for Wellington-Dufferin-Peel for introducing into debate a humanitarian and common sense approach to our deliberations. Much too often the deliberations in this chamber are adversarial and purely partisan politics. I congratulate him for bringing something that is so important to our attention for debate.

I suppose if there is anything negative I would have to say about this resolution it would narrow down to the fact that it had to be introduced in the first place. That has been expressed by other members.

In respectful submission too, I don't think this resolution goes far enough. However it is a step in the right direction, and for that it is supportable. I would also have liked to see this resolution in the form of a bill so more teeth and more pressure could have been brought on the government. At any rate, it is a very important principle and should be supported.

It represents, basically, an extension of an existing service, a service that is already in operation throughout the province. The member seeks to extend that to adult usage, usage by the adult mentally retarded. That is very commendable.

I do not have difficulty with the cost aspects of the resolution in so far as it calls upon school boards, parents and bus lines to co-operate. I would like to see it also extended to consideration by the provincially-funded institutions these people attend, so there would be four parties in this resolution of costs.

Far too often our society has escaped its responsibility, we have run away from our challenges. We institutionalize those about whom we are most ignorant. We commit our elderly. We incarcerate those most in need of rehabilitation in our communities. This resolution goes beyond that and requires each and every one of us to accept our individual responsibilities in the community. Rather than institutionalize, we are talking about integrating those who are mentally retarded into the community so that the community itself can accept that responsibility. That is an aspect in the principle of this resolution which, although it does not address itself directly to it, it certainly encompasses. I support it fully.

I remember in my own two elections, in 1975 and again in 1977, I had as my campaign headquarters an old building, a large building. In my riding we have an institution that is known as Day Break. Day Break is a home for the mildly mentally retarded. In each of those campaigns there were people from Day Break who were actively involved at my campaign headquarters.

I remember one lady most particularly, who was there regularly and faithfully each and every day. She worked the hardest in that office. She looked after the cataloguing, the collating and the maps. She did a tremendous job. She took over the jobs most people wouldn't want to spend any time at all at. She was there, not only during the first campaign but during the second campaign. She disavowed the fact she was a Liberal, she said she was a Conservative; and there she was working.

I must say her efforts did not go unrewarded either, because we had a birthday party for this lady during the course of the campaign and every person involved in that campaign attended that birthday party, wishing her well. She really appreciated it.

[5:45]

We can all bring personal anecdotes into this House, but it seems to me this resolution introduced by the member for Wellington-Dufferin-Peel represents something which is lacking. It represents a recognition, in my estimation, of the dignity, the value, the

importance of every human being. In so far as it does that, I support this resolution because it is a step in the right direction.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: With the permission of the House, perhaps I can take advantage of the three or four minutes that have to go by before we can deal with the business this afternoon to give the order of business for next week.

Pursuant to standing order 13, may I indicate to the House the order of business for the rest of this week and next week.

Tonight we will be in legislation, starting at eight o'clock doing second readings of Bills 55, 57 and 58; then as time permits we will go into committee of the whole House to consider Bills 54, 55, 57 and 58.

On Friday morning we will have budget debate.

On Monday April 30, in the afternoon we will have budget debate.

On Tuesday May 1, we will have legislation in the afternoon. We have Bills 42, 29, 30 and 52 for second reading; then we will do the committee stage on Bills 8, 42, 29, 30 and 52 as required until six o'clock. If there is time before six o'clock the House will continue with legislation not completed tonight, plus Bill 59.

In the evening, starting at 8 p.m. legislation not completed tonight, plus Bills 59, 17, 22 and 34, and committee of the whole House as required on that legislation.

On Wednesday, May 2, the resources development, the general government and administration of justice committees may meet in the morning.

On Thursday, May 3, ballot items 9 and 10 in the afternoon, and in the evening budget debate.

On Friday, May 4, budget debate.

FOOD PRICES

The following members having objected by rising, a vote was not taken on resolution 9:

Ashe, Baetz, Belanger, Bernier, Birch, Drea, Gregory, Grossman, Havrot, Henderson, Hodgson, Johnson, J., Lane, Maeck, McCaffrey, McCague, Newman, W., Norton, Parrott, Ramsay, Rotenberg, Rowe, Stephenson, Sterling, Villeneuve, Watson, Welch, Williams—28.

TRANSPORTATION OF RETARDED ADULTS

Mr. Speaker: Mr. J. Johnson has moved resolution 8.

Resolution concurred in.

The House recessed at 6 p.m.

APPENDIX

(See page 1318)

ANSWER TO QUESTION
ON NOTICE PAPER

MULTICULTURALISM PROGRAMS

138. **Mr. Grande:** Will the ministry now expand the answer given by the Minister of Culture and Recreation to question 96 on the Order Paper 10? Since the question quoted two sections of page 14 of the Ministry's 1977-78 annual report, will the Ministry explain why the Minister of Culture and Recreation found it "impossible to identify programs intended to promote and advance what is already present", i.e. multiculturalism, when his annual report states the multicultural development branch is "responsible for

the promotion and advancement of multicultural development"? To that end, will the ministry provide a three column table: in column one place names of the groups to whom financial and consultative assistance was offered; in column two place a description of the assistance; and in column three an explanation of how this achieves the ministry's stated purpose of the promotion and advancement of multiculturalism? [Tabled April 12, 1979.]

Hon. Mr. Baetz: Because of the volume of information requested, we require additional time for the preparation of the answer. The final answer will be ready on or about May 2.

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Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
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No. 32

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, April 26, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 26, 1979

The House resumed at 8 p.m.

GASOLINE TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 55, An Act to amend the Gasoline Tax Act, 1973.

Mr. Charlton: Mr. Speaker, I rise to speak on Bill 55 much in the same way and from the same point of view as in the speeches by myself and my colleagues on the fuel tax bill on Tuesday.

Mr. Bradley: It is called posturing.

Mr. Charlton: We are going to oppose this bill; we are going to oppose this bill because it is inflationary—

Mr. Bradley: Because it is safe to do so.

Mr. Charlton: —we are going to oppose this bill because it is regressive. Inflation in the area of gasoline prices over the last decade has been astronomical. We all know that, we have all seen that, we have all felt it in our pocketbooks, and we have all wondered at some of the policies of governments in this country.

Some of the increases in the price of gasoline over the past decade have been totally out of the control of—

Mr. Bradley: The Premier of Saskatchewan.

Mr. Charlton: —any of the sectors in this country. We have had increases that have resulted from the things that have happened around the world in the oil sector—the oil boycott in 1972, and the things that OPEC and the Arab countries have done since. It is true that those things have been out of control and have helped to feed inflation of prices in oil and gas.

Some of the increases over the past decade have resulted from games that oil companies have played in this country and the United States. Those increases have resulted from incorrect and misrepresented information on oil reserves, and we even had some cases of oil companies withholding oil and gas in order to force prices up. In some instances those increases were out of our control; in some instances the governments in this country could have taken some action to protect the consumers in this country and none was taken.

Some of the increases in oil and gas prices over the past decade have been as a result of government policy in this country. We have had the kinds of things that Alberta has done, and to some degree we can understand that, although we can't agree with it in the overall context of the best interests of Canadians. Alberta's tax policies have contributed significantly to the increases.

We have also had the policies of the federal government in gradually taking the domestic price in Canada for Canadian oil to the world price. All of us in this House to some degree—the Liberals probably to a lesser degree—have disagreed with that policy. The government across the way has disagreed with that policy; the Premier (Mr. Davis) has criticized that policy repeatedly and in a fashion that appeared, or was at least meant to appear, to be strong and in the best interests of the consumers of gasoline and oil in Ontario.

But now we have before us a bill much like the one we had on Tuesday which increased the motor vehicle fuel tax. This is a bill that increases the tax on gasoline, an increase in the price of gasoline to consumers in this province that we have some direct control over. There are no excuses this time. There is nobody else to blame. This increase is inflationary. It is inflationary in the energy sector which is already under far too much pressure, has been for a whole decade. Yet, this has been chosen as one of the taxes to be increased.

This bill increases the tax from 4.2 cents per litre to 4.6 cents; a 9.5 per cent increase. Does that sound reasonable coming from a government that has forced, or attempted to force some employees to accept a four per cent increase in salary? Does it sound reasonable from a government that has been talking about restraint for three solid years? Is it reasonable to take a commodity such as gasoline, in a sector so vital to the Ontario economy—a sector which plays such a major role in all of the things that go on in this province, which involves almost everyone in the province, because in some way almost everyone uses gasoline and pays for it, whether it be directly or indirectly—to take a commodity

such as this and increase the tax by 9.5 per cent at a time when everyone is talking about restraint and cutbacks?

There is the Minister of Revenue (Mr. Maeck), sitting beside the Minister of Health (Mr. Timbrell).

Mr. McClellan: It's a conspiracy.

Mr. Charlton: The Minister of Health has been under a lot of pressure lately because of things that have been going on in the health-care sector, the restraints and the cutbacks, and the increases he has imposed.

Mr. Nixon: A million dollars for dogs but no money for hospitals.

Mr. Charlton: But the increase we are debating here tonight, in the price of gasoline, is no less important than what is happening in health care.

We have a situation here where this government and the federal government have been urging people to lower their expectations, to lower their demands on the economy; then we impose a 9.5 per cent increase, all in one shot, in a tax which affects everyone. It is easy enough to say that as an individual increase it is not going to amount to very much to any one person in dollars and cents, but as a part of the whole package to come out of this budget, as a part of what is happening to the whole of the economy, it is just adding fuel to the fire of inflation. It is putting us back on the road to double digit inflation, to the position where Tories and Liberals in this country will again start talking about wage controls; and it is not going to be fun for any of us, neither for the government side nor for the consumers of this province.

The average wage increase in this country in the last year has been only 6.5 per cent; but it will not stay that way, people will not keep their demands that low. They will not put up with that if this kind of inflationary trend keeps up. Add the kinds of tax increases, regressive tax increases, we have had in this budget to food costs, housing costs, the cost of fuel and so on, and people are going to start demanding more—nine, 10, 11, 12 per cent. They are not going to fall very much further behind before they start fighting back.

This government, by the kinds of regressive increases in this budget, and this is one of the worst examples of regressive increase in this budget because it affects virtually everyone in a regressive way, is inviting problems not very far down the road.

As if this nine and a half per cent increase in gasoline tax isn't bad enough, section 1(2) of the bill increases the tax on aviation fuel—100 per cent. The minister has asked us to

approve a 100 per cent increase in aviation fuel tax. I don't know what the minister's thinking is, what his colleagues in cabinet are thinking, what the Treasurer (Mr. F. S. Miller) is thinking, what the civil servants in the Ministry of Treasury and Economics and Ministry of Revenue are thinking. I don't know how they would rationalize a 100 per cent increase in anything all in one shot.

Perhaps they consider that flying is a luxury. I would just like to remind the minister and his colleagues on the government side that vacationers are not the only people flying. There are a lot more people in airplanes in this country than just vacationers out on a luxury trip. Today a large part of the commerce that goes on in this country depends on airlines and flying in order that the economy can operate, in order that the businesses that operate in this country can function efficiently. And God knows there are even some politicians and civil servants flying around this province and this country trying to do the business of the people. And we are adding a 100 per cent increase in the tax on aviation fuel.

Mr. Kerrio: What does Jim Snow say about that, Lorne?

Mr. Charlton: Just on the front page of the *Globe and Mail*: "Charter Flights to UK Rise by \$25 for Fuel Surcharge."

Mr. Kerrio: How can you fight Jim Snow?

Mr. M. N. Davison: Come on, Vince; you will have your chance later on.

Mr. Charlton: I took the time to cut out this article and read it. I suggest to the minister, Mr. Speaker, that he do the same.

"Three major airlines announced a fuel surcharge yesterday on charter class flights across the Atlantic.

"CP Air's price increase will affect even those travellers who have bought their tickets already." The same is true for Wardair.

I took the time this afternoon to phone some of these airlines to ask them if the fuel-cost problem they were having was the result of the minister's proposed tax increase. The answer I got was no. The decision for this surcharge announced yesterday was already made before this government announced its increase in aviation fuel tax.

What that means, Mr. Minister, is that now the airlines are going to have to sit down and turn around and decide how badly this tax increase is going to affect them—

Hon. Mr. Maeck: I will tell you how badly.

Mr. Stong: Ultimately the consumer pays.

Mr. Charlton: —and up the lump again. It is all adding pressure, it is all adding pres-

sure to a sector of this economy that, although perhaps not quite as vital yet as the sector served by gasoline, is a sector that in our modern society has become very vital to the operation and functioning of our society and our economy. It is not just people that fly; a lot of goods are moved by air today. Mail gets moved by air today—and God knows the mail service has become expensive enough without this government adding more fuel to that fire as well.

As I have said, perhaps this government thinks flying is a luxury. But I think if there is the thought and rationale behind this kind of tax increase at this time, somebody has missed the mark. Flying in this country is much more vital to our economy than just a luxury for those who take flying vacations.

There are a lot of areas in this province, especially in the north, which are only served by small aircraft. That is the only transportation in and out that they have. And we're imposing this kind of tax increase.

[8:15]

Like every other tax increase, this tax increase on gasoline and on aviation fuel is not only inflationary, it is also very regressive. As I suggested earlier, gasoline is something used in some way, either directly or indirectly, by everybody in this society; but this increase in the tax on gasoline isn't going to affect everybody who has to pay it equally, most certainly not. It's a regressive tax because it in no way reflects people's ability to pay.

In the usual fashion of this government, we hold the line on progressive income taxes and the government brags about it repeatedly, but some small increases in personal income tax most certainly wouldn't have affected low-income people and people on fixed incomes in the same way as this gasoline tax is going to affect them. Pensioners in this province, for example, for the most part don't pay income tax, so a small increase in income tax wouldn't have affected them at all; but any pensioner who wants to drive his car for a short weekend away from home—if he's lucky enough to have a car—is going to get stuck with this increase, and most likely he can't afford it. As always with this kind of a tax increase, the lower your income the harder you get hit; even the middle-income people will be hit harder than those at the top.

Mr. M. N. Davison: Tax the poor.

Mr. Charlton: In addition to being inflationary, it's regressive. It's not going to add very much benefit to the provincial treasury; it's not going to solve the fiscal problems

of this government in terms of cash flow and deficits. It doesn't serve any really useful purpose anywhere; it just adds problems, it invites new problems down the road. Eventually, the kind of approach this government and the federal government are taking is going to invite disaster.

We're going to oppose this bill, Mr. Speaker, because in almost every way you can possibly look at the bill it has a bad effect. In any way you look at the bill it's difficult to find any really useful, really compelling reason to impose this tax increase at this time.

Mr. Haggerty: Mr. Speaker, I want to address myself to the matter before us, Bill 55, An Act to amend the Gasoline Tax Act, 1973.

We do have some rather strong reservations about this particular tax bill. It's an increase; the explanatory notes in plain words and to simplify it, mean it is a tax increase.

Mr. M. N. Davison: That won't stop you from supporting it.

Mr. Haggerty: We on this side, I suppose almost everybody, would take the view that any tax is regressive, even at the municipal level.

I was interested in the comments made by the minister this week relating to the government increase in tax on diesel fuel. The minister stated it was the first provincial increase on gasoline and fuel tax since 1972, and that the new increase would not be burdensome to the consumer.

Any tax increase causes difficulties to the consumer. It seems to me the minister and his government have neglected to consider the continuing price increase of gasoline since 1973 and the increase in the price of diesel fuel since that time. It's been increased year after year, although it wasn't a government tax increase it was revenue required by the oil industry in Canada.

I don't have to remind the minister of the huge profits the oil industry has accumulated since the energy scare of 1972-73 and the almost embargo on oil coming into Canada and the United States. I think in this area it has worked for the benefit of the oil industry.

We can see on the stock market, as it relates to the oil industry, the huge dividends and the profits in that area, without looking at the end products, gasoline and diesel fuel, and the huge profits that are made on those particular commodities. I say to you, Mr. Speaker, the consumer has had that impact of continued increases for the last six or seven years and it certainly had added to

the inflationary costs in the province of Ontario.

I was looking back in Hansard at what the Minister of Revenue of 1972 had to say about the gasoline tax increases at that time. The Honourable Allan Grossman, Minister of Revenue at the time, spoke on the amendment to the gasoline tax on April 13, 1972. He had this to say:

"It is essentially, in my view, to be quite honest, a method of raising taxes from those sources which appear to be the best from which to get these taxes."

Apparently, the new Treasurer has certainly followed this principle. Be that as it may, it is difficult to follow the different ministers' requirements for funding each administrative body in its yearly program. We look to see what the new member for St. Andrew-St. Patrick (Mr. Grossman) had to say in a press release of April 20, 1979. He stated this:

"Toronto, Ontario. Reports that Canada is suffering a gasoline shortage are false, Ontario Industry and Tourism Minister Larry Grossman said today. Inquiries from American tourists indicate they are concerned a gasoline shortage might disrupt their visit to Canada this year, said Mr. Grossman.

"We definitely do not have, nor do we anticipate, a gas shortage in this country; in fact, gasoline is abundant in supply here," he added. "Travel throughout Canada will be better than ever before for American visitors this summer. The devalued Canadian dollar will be a bonus for the United States tourists. Current exchange rates yield about 15 cents on the American dollar. Exchange facilities are available at all Canadian banks, most businesses and at five Ontario travel centres at United States-Canada border points." This is the point I want to raise with the minister, bring to his attention:

"In addition, the province of Ontario has suspended sales tax on accommodation and meals under the American plan to provide even greater savings. I invite the American people to visit Ontario this year to experience the vast and varied sites, sounds and flavours of this province."

I don't know whether he's talking about the increase in price for liquor and spirits or not, Mr. Grossman said further: "'Our American friends are important to us in Ontario with our tourism motto: 'We treat you royally.'"

Now all of a sudden the Treasurer comes into the act and he places a tax on gasoline which certainly is going to discourage some Americans. There is to be \$79 million raised by this.

Mr. Eakins: Especially on the 401.

Mr. Haggerty: I say it's in direct contrast to "We treat you royally" in Ontario.

Mr. T. P. Reid: We tax you royally.

Mr. Haggerty: Yes; we give it to you in one hand, but we'll take it from the other hand. Rob Peter to pay Paul is the old saying; and I suggest to the minister I don't think he's going to be treating them royally with that increase in gasoline tax.

I would like the minister to clarify something here. How much revenue will be generated by the gasoline tax and how much will be raised by the fuel tax?

Last session, the Minister of Consumer and Commercial Relations (Mr. Drea) introduced some amendments to say we were going to move from the present measurements to the metric system. At that time I asked him: "What additional revenue will this bring into the province of Ontario?" He estimated the conversion to metric would bring in about \$3 million.

Last week I had a few moments and I went over to visit my local implement dealer. I was going to buy myself a five-gallon can of hydraulic oil for the tractor. I asked him this year's price. He said there hadn't been any increase in the price of hydraulic oil. But he had two cans there, one was a metric measurement can and the other was the old measurement; I'll tell you, there was quite a difference in the volume of those two containers. I am sure on the conversion job it means higher profits to the oil industry again. The consumer may again be taken in this area. I don't have to tell you about metric conversion, Mr. Speaker, the consumer has been taken by that and there was no need for it. The minister shakes his head and says no.

Hon. Mr. Maeck: Not this time.

Mr. Haggerty: During the last session I also raised with the Minister of Consumer and Commercial Relations a question related to the matter of unleaded gas. I told him of the difficulties I had personally and that other persons had brought to my attention that they had problems too with the unleaded gas. I don't know what was the cause of the knock in the engine, but I told him I had to go to a higher octane, or super unleaded gas, at an additional cost; and so had the rest of the consumers. I said there should be some checking into this.

The minister was kind enough to write me a letter January 18, 1979. I will put it on the record: "I refer to your question as recorded on page 6208 of Hansard for December 13, 1978, regarding the pricing of

premium unleaded gasoline recently introduced to the market. First I should explain why this fuel appeared.

"In 1974, when it became apparent that fuel without lead was essential for catalytic mufflers, the cost of such fuel was discussed by the petroleum industry with the automobile manufacturers. It was stressed that the need to add other constituents to try to replace the deleted lead, and the need for additional costly refining processes would mean a more expensive fuel. It was also stressed that there would be a crude oil penalty of four to six per cent to produce a gallon of unleaded gasoline compared with a gallon of leaded fuel.

"In light of these facts, an agreement was reached with the auto industry to produce automobiles capable of efficient operation on gasoline with octane ratings in the order of 87. This minimum rating was then set as the national standard for regular unleaded gasoline.

"The agreement was breached by the auto manufacturers and new cars began to be produced which need fuels with octane ratings well in excess of that figure. It became necessary for the oil companies to introduce a premium unleaded gasoline with a minimum rating of 90, an additional requirement of five per cent more crude is needed to produce one gallon than to produce one gallon of regular unleaded.

"In addition, octane requirements continued to increase so that the motorists' demands are being met by marketing regular unleaded ratings of 80 to 90 and premium unleaded ratings of 90 to 93 on average."

I hope the minister listens to this last paragraph:

"The differentials on pricing are, I am sure you will agree, not unreasonable. The question that does remain unanswered, however, is why do we need this expensive energy wasteful fuel in Canada? The emission limits can be met without the need for catalytic mufflers and hence there is no need for unleaded gasoline.

"My ministry has queried the federal government but has not yet received the courtesy of a reply. We shall try again.

"Yours very truly, Frank Drea, Minister."

He tells me in that letter there was no need for this expensive gas on the market. It was an agreement between the manufacturers of automobiles and the oil industry.

If perhaps we can go back and have that five cents or 10 cents or 15 cents knocked off a gallon of gas, I think every consumer in Ontario would be happy. Those are pretty strong statements to put into a letter.

I have all the confidence in the Minister of Consumer and Commercial Relations. If there was ever a minister over there who was concerned about consumer needs and consumer protection, he is the minister. He is doing a great job.

[8:30]

I suggest the minister should be looking in this area. As I said, we have strong reservations about this particular bill. In this particular instance, I think the consumer has been taken again.

If the taxes generated by this increase were used for more research in fuel in Ontario, we might take a different view. When we look at the other things that were mentioned in the budget, perhaps there may be a good project or a good scheme there, such as the small business development corporations proposed. The Treasurer is talking about funds to help small industry to become established in the province of Ontario.

As my colleague from Niagara Falls will bear out, from the studies and testimony before the Ontario Hydro committee we found that within a 10-year period we are going to have to use methanol to assist in automobile operations in Ontario. I suggest to the minister that we should be applying the additional revenue that's going to be generated from this tax to research in other areas of energy that we'll perhaps use for ways and methods of travelling in the next 10 years. I suggest there's revenue here that we could use for building a methanol plant in Ontario to assist the conservation of energy.

We on this side are concerned about the conservation of energy. With a methanol plant in the province of Ontario, there are many areas of waste we can use to capture some benefit. Additional farm products could be used for methanol, and garbage could be used. There's a vast area here for research. On this side of the House, we will support the bill in the sense of saying that the government should provide some research measures so that we're going to have some benefits from the tax increase.

Over the years, we've had tax increases on gasoline and we have actually gained no benefits whatsoever in research. This is an area here in research and development that will create jobs in the province of Ontario. I suggest to the minister that he should be looking in this particular area.

Mr. Samis: Mr. Speaker, I'd like to make a few brief comments on this latest tax increase presented to the good people of Ontario by the minister.

I believe his gift this year amounts to 9.5 per cent. The poor motorist must be really staggering. If I'm not mistaken we had a price increase in January of this year. We can expect another price increase in the cost of gasoline after the federal election, especially if "Bill Who" gets in. Then, the headline on the front page of the Financial Post says: "OPEC Jolt May Blow Ottawa Lid in Oil Prices." I will quote very briefly from the lead paragraph.

Mr. Nixon: That's the NDP propaganda organization.

Mr. Samis: That's right. "The possibility of yet another world oil price increase in June is growing, even before the dust has settled on increases up to 31 per cent in the first quarter. Already there is a dramatic change from the phased 14.5 per cent, projected for all of 1979 only four months ago." It refers to the Sheik Yamani talking about further increases beyond that one.

With the projected increase from Alberta, and the projected OPEC increase, and now the threat of an even higher increase from OPEC, we have this gift of a 9.5 per cent increase to the consumers of Ontario. I really wonder how the poor consumer must feel. Here he is in the middle of a federal election campaign. He sees his OHIP in the past 12 months go up 18 per cent in one shot, while I believe the latest increase works out to about five per cent per year. On one hand, his OHIP goes up about 29 per cent in the space of 12 months, and on the other hand he sees this government give away \$100 million to the pulp and paper companies. He sees his tobacco prices go up again this year and yet he sees the government give \$70 million to Inco. He sees the price of alcohol, spirits, beer, et cetera go up and yet he sees this government give away \$28 million to poor Henry Ford.

He sees a new tax introduced, the cablevision tax, and yet he sees the minister announcing a \$200 million slush fund for manufacturers to feed off at the trough. He hears on the radio this evening that the price of bread is going up again and yet he sees this government giving a further exemption to estates of a value of over \$300,000. He hears there is going to be another increase in the price of milk, yet he remembers this is the same government which, courtesy of Lord Darcy in the last budget, gave a tax credit of approximately \$115 million on industrial machinery manufacturers.

No wonder the poor taxpayer in this province is bewildered and confused. He knows the cost of living is going up. He knows this

increase is going to drive it up even further. He knows, in terms of equity, this is not the fairest way of raising taxes, and now he knows the oil companies are again making record profits. He knows, come July, he is going to pay more again for his gasoline in the province of Ontario. Yet the Premier (Mr. Davis) tells him: "Don't worry, we are standing up for you. We are doing the best we can to keep oil prices down to a reasonable level in the province of Ontario." We all acknowledge a car is not a luxury any more; it is a necessity, especially outside of Metropolitan Toronto.

I believe my colleague from Erie referred to the fact this is going to have a considerable impact on our friends from the United States who are coming up here. One of the arguments they are now using is it is too expensive to come to Canada. As you get on the 401, you see those nice little signs 99 cents, 97 cents; and no signs which mean over a dollar, as you go into northern Ontario. That is going to go even higher this year, and obviously that will affect the small entrepreneur.

We are telling the taxpayer on one hand: "Stop expecting so much from government. Stop expecting so much from your employer. Just reduce your expectations; things are tight now." Yet what are we doing to him? We raise the cost of his gasoline, the cost of his OHIP, the cost of his wine, the cost of his beer, the cost of his tobacco, the cost of his cablevision; and the price of bread and milk are going up.

I wonder why, instead of always resorting to the sales tax, the minister wouldn't give greater consideration, if we are going to hit the gasoline or automotive field, to graduating it in some way. Why not apply a special tax based on the size of the engine or the weight of the car at time of purchase; so those gas gobblers, the energy wasters, pay a full premium for having that right or that privilege in our society? If we are going to have a tax based on gasoline, why not graduate it according to the size of the car? Those which are the least economical should pay the highest tax; those cars which are the most economical, the most efficient in terms of energy, should pay the least tax. We don't follow that approach, we just apply this general sales tax. The size of the car doesn't matter, we all pay the same.

In view of the rising prices, in view of the giveaways in the budget, in view of the fact the government is hitting the little man again, it is no wonder in Ontario, as well as all across Canada, the electorate is getting so cynical about government and politicians in general.

Mr. Nixon: Mr. Speaker, the government House leader is murmuring something about me already speaking on this. Actually, in the old well-organized days from the government's side, we used to deal with these bills in batches, as I recall, and when we were dealing with motor vehicle fuel tax and gasoline tax, we expressed our views on a more integrated basis. Under the new regime, it is done in a very time-consuming and wasteful way, and it is necessary to repeat the views on more than one occasion.

I am very glad to have the opportunity to say to the honourable Minister of Revenue once again, that he should not think for a moment that with the new Treasurer (Mr. F. S. Miller) his position is the same as it was with the old Treasurer. He now has, I think, a special responsibility to have an independent view. The new Treasurer is inexperienced, and in this instance I have a feeling he is completely out of touch with the policies of the Conservative Party.

We have heard repeatedly in this House the attacks made by the Premier (Mr. Davis) and other members of the government on the escalating prices of gasoline and—what a nefarious plot this is on behalf of the government of Canada and the party which has the responsibility for that government, both now and in the foreseeable future, and how serious it is that the price of gasoline continues to escalate.

We have repeatedly pointed out to the Premier that if he is concerned about the price of gasoline, he can reduce the gasoline tax, which really should be at the present time at 19 cents a gallon, but unfortunately by the procedures we have, the government is now collecting about 21½ cents a gallon, illegal though that may be.

I feel if there is any consistency to government policy, this tax should not be proceeded with. However, if the government, in its bad judgement, intends to proceed, we do feel that however ill advised it is, it is not the sort of thing that necessitates going to the people for their final decision. There are, of course, matters of high principle that would necessitate it, but unlike the NDP we are not prepared to go to the people with this or the other small changes in the budgetary policy of the government that have been announced by the Treasurer and must be enforced by the innocent Minister of Revenue.

Mr. McClellan: He's not so innocent.

Mr. Nixon: In case the minister missed my comment before, I did point out to him how unfair and wasteful the procedure for

collecting the gasoline taxes from the farmers happens to be.

I am delighted that the Minister of Agriculture and Food (Mr. W. Newman) is joining us; because I have a feeling that within that cranium there is a speech tonight, and we might even hear it. I really feel that the policies of this government have oppressed the farmers to a point where it is shameful.

Hon. W. Newman: Look at your friends in Ottawa. They are charging tax on fuel; don't give us that nonsense. Just because you pay tax on fuel don't blame us.

Mr. Nixon: If it were not for Eugene Whelan the farmers would be in trouble.

Mr. Kerrio: The ghost of Bill Stewart would be better than what we've got.

Mr. Deputy Speaker: Order.

Mr. Nixon: I know, Mr. Speaker, that you are aware that other somewhat more enlightened Conservative governments, and as you are often made aware there are no Liberal provincial governments—although that is going to change; it is always darkest just before the dawn and the Liberal ascendancy is going to begin in this province. I would say before 1979 is out we will have a return of Liberal policy in this province, and that is much to be looked forward to.

But there are other Conservative governments which do not needlessly oppress the farmers. They do not extract from the farmers this 21 cents a gallon, even though the farmers are using the gasoline only to till the soil and grow the food for the hungry citizens of this province, and in fact the world. The money goes into the consolidated revenue fund and the Treasurer has the utilization of that money, without any interest payable, for months, in fact years, before any rebate goes back to the farmers under these circumstances.

Hon. W. Newman: You can fill yours in every month if you want to; you can do it every month.

Mr. Nixon: This is a circumstance, Mr. Speaker that certainly must concern you, representing a rural area, as it concerns me. I would hope the Minister of Revenue, in his new position where he can express an individual view and take some aggressive initiative himself, would move to correct a situation which is long past the time when it should be corrected for the benefit of my farmer constituents and those of many other members of this House.

There has been some argument made by the government that their revenues from

licensing and gasoline tax do not come near to meeting the cost of the roads. Even with the roads which in the past we have been proud of, there are many people in the province who are expressing dissatisfaction, to me at least, with the level of maintenance and the rate at which the roads are being improved in this province. I do not want to repeat the arguments that have been made in the estimates of the Ministry of Transportation and Communications about the improvements that are required, but the argument that we are already spending more on highway maintenance and building than we are getting from gasoline and motor vehicle fuel tax and licences certainly is inappropriate. It is the responsibility of the government, and it has been one of the main responsibilities, to provide an outstanding level of highway transportation.

[8:45]

One need only go back to the record of the former administration of the United Farmers of Ontario to know that at that time the high level of road-building which really led the world, far ahead of the interstate network in the United States, was begun here, under the leadership of former Premier Mitchell F. Hepburn. Even the Queen Elizabeth Way was recognized at that time as one of the most advanced roads in the world.

Certainly, this government has not shown the kind of leadership in recent years that we would expect in this province. When Leslie Frost was Premier, or Prime Minister as he liked to be called, in those days when the Minister of Health (Mr. Timbrell) was learning his political lessons at the knee of that former Prime Minister, there was an approach to the provision of services more commensurate with the amount of money that was being gathered into the consolidated revenue fund for the benefit of the roads system.

The argument that you are not balancing this any more seems to be irrelevant, in view of the inadequacies of the road-building and road maintenance program. I see the Minister of Revenue is holding his hands palm upwards in the standard position of the Minister of Revenue, "Don't ask me, I have no responsibility."

Hon. Mr. Maek: I didn't say that. You have so many good ideas, tell me where you get the money.

Mr. Nixon: He didn't say it, but he was making the classic gestures that Ministers of Revenue have been making for years; as if they didn't have a word to say about government policy. I simply bring to his attention again that we are very proud of what he has

been able to do in his short tenure; that in many respects his views are more influential in this House than the views of the Treasurer himself. I would hope that he would move towards influencing the policy of his colleagues, towards the utilization of these revenues in a more progressive, if not conservative, manner.

Mr. M. N. Davison: I just wanted to make a few temperate and sober observations and comments, if I might, on Bill 55.

On the aviation fuel tax increases of 100 per cent, that is quite a figure the minister has there. I have to hark back to the debate we had earlier today when we were talking about a crisis of 21.7 per cent. I tell you that the consumers of this province are lucky you are not running a chain of food stores or they would really be in trouble.

The critical tax in my riding is the 9.5 per cent increase in the gasoline tax, from 4.2 cents to 4.6 cents per litre, which is a substantial chunk of the 21.1 cents a litre that is paid in my riding by my constituents who drive their cars. Even in Hamilton Centre an automobile is a necessity these days.

The tax is inflationary, as is any tax which exceeds the wage increases that the workers and pensioners in my riding are getting. When the workers of Hamilton Centre have to keep their wage demands down to something in the neighbourhood of six or 6.5 per cent, it hurts when you add a 9.5 per cent increase to the already fairly high tax you have on gasoline.

I am waiting for the minister, when he makes his remarks, to tell us this is Tory government policy and Tory government direction addressing the problem of public transit, and that this is the way they are going to increase ridership on public transit and encourage public transit. If so, it would be about the only policy they have over there to accomplish that worthwhile goal.

What really concerns me is that this fits in with a growing trend in Ontario that we have seen over the past few years, which is the kind of inflation and price increases in what I would call basic necessities of life in Ontario in the 1970s; basic necessities such as health care, housing, energy and food. All along, from sector to sector—and tonight we're talking about energy—the government's policy is to do absolutely nothing to protect consumers from price-based increase ripoffs in these basic necessities.

Not only does the minister not protect the consumer from price increases, but this is one of the few taxes he has that isn't based on a percentage of the commodity. I'm sur-

prised he didn't do that when he brought in the new bill so he wouldn't have to come back to the Legislature periodically with a bill to increase the take from a gallon of gasoline. He would just get himself a percentage and that way he could reap a windfall revenue gain every time there was a boost in the price of fuel. That's the only thing I can congratulate the minister on in this bill, that he didn't take the ultimate step and go in that direction.

The government seems to be in a consumer-bashing mood as of late. I would make one suggestion to the Minister of Revenue in this debate. If he wants to go after a group of consumers he shouldn't go after the group of consumers that spends almost all, if not all, their disposable income on the basic necessities of life—on food, on energy, on health, on housing. If he wants some support from this side of the House, from this party, in going after a group of consumers, I would suggest the group he picks on is the group of consumers who have enough money to blow on things like Gucci shoes and yachts and diamond rings and limousines and caviar. If he's going to bash consumers, he should pick on those people for a change and leave alone those who have to spend so much of their money on basic necessities.

Mr. Kerrio: Wait until he hears about those Gucci shoes.

Mr. Riddell: Mr. Speaker, I rise to support this bill with a great deal of reluctance. If I thought people were in any way amenable to having an election on this issue—

Mr. Laughren: Don't be so mealy-mouthed.

Mr. Riddell: —I would be inclined to vote against the government.

But it's obvious that people wouldn't want an election on this issue.

It's equally obvious that this government, for 35 years now, has leaned on the federal government to help it out of its difficulties.

Hon. W. Newman: Oh come on now.

Mr. Riddell: I sometimes wonder what's going to happen if by some stretch of the imagination the Tories might happen to form the next federal government; but I don't think that will happen.

Interjection.

Mr. Riddell: Well, my good friend, you wouldn't have the federal Liberals to blame; so what would you do?

Mr. Deputy Speaker: And now back to Bill 55.

Mr. Riddell: I say these people have really leaned on the federal government but it

reduced the federal excise tax on gasoline by three cents a gallon.

Hon. W. Newman: But they still charge the farmers for it; give it back.

Mr. Deputy Speaker: Order; the member for Huron-Middlesex has the floor.

Mr. Riddell: After the next election, we'll look after the farmers on this side.

In 1978, the federal government reduced the federal excise tax on gasoline, and the Ontario government takes back almost two cents a gallon in April of this year. The paradox is that the Ontario government has attacked the federal government's handling of the oil situation, claiming that too much of the increases are being taken up in a variety of government taxes, including taxes imposed by producing provinces and taxes at the federal government level.

The latest provincial government action adds to the spiralling costs of gasoline, estimated to increase by 25 cents to 30 cents a gallon from early 1978 to the end of 1979. Add to that increases of 30 per cent to 100 per cent on licence plate fees put into effect last year.

In order to put the current gas tax increase in perspective, I must relate to the very sophisticated and complex motor vehicle tax study undertaken in 1974 by Price Waterhouse and Company. The study showed that between 1967 and 1974, taxes collected from the motor vehicle owners and operators in Ontario increased 86 per cent, from \$335 million a year to \$724.4 million a year. The consultants, using a straight-line projection and assuming that the same rate of taxes would be in effect, reported that by 1979-80 government revenue would increase to over \$1.1 billion.

What has happened in the interval? In the 1977 licence year, the provincial government raised licence plate fees from a low of 30 per cent to as much as 100 per cent. On April 10, the government announced the increase in gasoline tax of four cents per litre, estimated conservatively to be 1.8 cents a gallon. The provincial government Bill 158, introduced in the latter part of 1978, changed the Gasoline Tax Act of 1973 to the metric scale, and I believe my colleague from Erie elaborated somewhat on this. As a result, by applying a 4.2 cent per litre gas tax, the 19 cents a gallon tax went to 19.1 cents a gallon. This means that the new increase will bring the tax to 21 cents a gallon. Therefore, it appears that the straight-line projection of provincial government taxes of \$1.1 billion on the motor vehicle owners and operators by

1979-80 will be far short of the real taxes being borne by motor vehicle owners and operators.

It never ceases to amaze me that government officials fail to address the real issue—direct expenditures on behalf of motorists. Unfortunately published government reports of revenues and expenditures, of the Ministry of Transportation and Communications are net accounts and fail to reveal that that ministry is charged with very heavy capital grants and operating subsidies to municipal transit systems. Research and subsidies for experimental mass transit systems, the Ontario/GO Transit public transportation system, the provincial air services, the Ontario Telephone Service Commission and the Ontario seasonal employment program are all charged as direct taxes on the motorist.

These non-road expenditures have increased rapidly in the last few years. It has been long held that the motorists should pay 65 to 75 per cent for the construction and the maintenance of roads and highways, with the balance being considered essential needs of society at large and borne by general revenue.

What is the result of all this? It appears that the government is, in fact, continuing to look on the motor vehicle owner-operator as a revenue-producing source. They fail to recognize that 85 per cent of the households in Ontario have at least one motor vehicle and that motor vehicles are no longer a luxury but a very important and necessary part of modern society. This allows inequities to be carried forward without a great deal of pressure or reaction from most of the elected officials, particularly on that side.

[9:00]

Another good example is the fact that the federal excise tax, reduced from 10 cents to seven cents in August 1978, is applied only to the private motorist, with the private motorist being expected to carry the burden of equalizing the differential between domestic oil prices and foreign oil prices for our eastern provinces. This means the private motorist is paying into this fund for the federal government in excess of \$400 million a year. If this tax were applied to all gasoline users, the tax could be reduced three cents a gallon for the private motorists.

These are complex issues, and perhaps it is for this reason the average motorist does not react more strongly. The only way in which unfair taxation policies can be averted is for motorists to act much more forcibly on an individual basis, advising their elected

officials that they will no longer tolerate these anomalous, inequitable taxes.

In summary, I want to say that the additional \$57 million to \$60 million the provincial government will collect through the increase in the gasoline tax announced in April of this year is inequitable and unrelated to the growing revenues the government has collected from motorists over the past decade. I further believe the time is long overdue for the government to realign its taxation policies so as to apply a more realistic version of the user-pay principle and only apply direct taxes to motorists which are related to their fair share of government expenditures for roads and highways.

Mr. Germa: I have just a few words on Bill 5, the bill to raise the gasoline tax. As usual, my part of the country, northern Ontario, seems to take the brunt of the attack when the government is going out to raise revenues. Northern Ontario is a unique part of the province. That has been said many times before, but it bears repeating. We have a very different problem to overcome in that part of the province due to the geography, the sparsity of population and the mileages that separate one community from another.

Mr. Laughren: The Minister of Revenue doesn't care.

Mr. Germa: The Minister of Revenue doesn't have to put up with that. Most of this cabinet is not aware of the inequities that exist. By increasing the tax on gasoline, the effect is multiplied by the time it is applied to the northern part of the province because of our consumption, not only on account of the mileage, but because of the temperature. The weather involved causes low gasoline mileage in private automobiles.

I am sure members can understand when it is 40 below zero in northern Ontario, an automobile just doesn't move as easily as it does in the southern part of the province. Consequently fuel consumption is a way up compared to what people have to put up with in the southern part of the province.

Almost daily, as I drive around northern Ontario, I see prices of 22.9 cents per litre. Translated into gallons and dollars, that is \$1.041 a gallon. It is very easy to look at 22 cents a litre, a lot of people don't panic at 22 cents; but when translated into the price per gallon, it is something phenomenal. We are paying over a dollar a gallon in most of northern Ontario for gasoline.

For the government of Ontario to add another nine per cent on to that cost is just

unacceptable. I thought 19 cents a gallon was plenty for the kind of services we get up there. Just driving down this last weekend, on looking at the condition of the roads, I found there are more bump signs than anything else. The government of Ontario puts all its money into printing bump signs instead of fixing bumps.

Mr. Laughren: There are more bump signs than speed limit signs.

Mr. Germa: That has to be taken into consideration. The minister might come back and say, "Well, you only paid \$10 to register your vehicle." That doesn't ameliorate the excessive costs that are attached to transportation in Northern Ontario.

The price of energy in Ontario has gone up at an annual rate of 15 per cent over the past six years. That is also inflationary. I tie that to the government's program to diversify the economy of the north; they're talking a lot about tourism. I don't necessarily agree with their thrust to turn northern Ontario into a hotdog stand, but if they are going to do that, they must not increase the cost of getting there. If they want to make us a hotdog stand, let them at least get the people up there so we can sell hotdogs to them, but let them not make it more difficult for us. It's difficult enough to get up to northern Ontario and here they are adding to the burden of costs of getting there.

So, Mr. Speaker, the increase in taxation of aviation fuel is also going to militate against the ease of transportation in the northern part of the province. The government has been putting in many remote airports where all of the foodstuffs, all of the energy requirements, have to come in by air. It has raised the price of gasoline to over \$2 a gallon in those remote spots and by adding more tax to the gasoline plus tax on aviation fuel, it is just going to aggravate the situation even further.

So while this is imposing a burden on a lot of people in the province, the burden is magnified and multiplied for those people in the northern part of the province.

Mr. Laughren: I rise in opposition to this bill.

Hon. Mr. Maeck: Oh, I thought you were going to support it.

Mr. Laughren: No, I oppose this bill. As a matter of fact, what's really incredible is that the Minister of Revenue, who used to be such a strong sympathizer with the problems of the north, brings in these bills without a blush. The flimflam man from Muskoka says, "Here it is, Lorne, rush it

through. Ram her through." The Minister of Revenue does indeed do just that.

What bothers us so much is that there's no relationship between their taxation of fuel and conservation policy. None at all. They just look down the list of possible taxes in the province after the member for Muskoka has given them the total figure and they say, "Well, let me see, we can get so much here, and so much here."

The minister shakes his head, but perhaps he could explain to me, when he makes his closing remarks, what the justification is, if not revenue, for adding this tax on gasoline? If not for revenue, for what purpose? I suspect that his answer will be that, "Yes, you're right. It is indeed a tax grab, not based on any kind of policy at all."

That's what's bothering us about the whole budget of the member for Muskoka. When you look down at all the tax increases, they are simply tax grabs. They are not part of any overall policy; they couldn't be.

We are going to be debating later tonight, I suspect—I hope—a tax on land transfers. That's got nothing to do with housing policy. Whether the tax is going up or down, there should be some kind of relationship to a policy, but none of these taxes are.

OHIP is another example. There's no relationship between the health policy of this government and the level of OHIP premiums, or what they do with OHIP premiums.

Mr. Deputy Speaker: There's nothing in this bill about OHIP.

Mr. Laughren: Getting back to the gasoline tax, Mr. Speaker, which I know you want me to do, the Minister of Revenue simply must justify to us why he increases the tax on gasoline if not simply for revenue. Is there any other reason—any other reason—for raising the tax?

Also, was any consideration given to the particular problems of northern Ontario, which my colleague from Sudbury expressed so well? I don't know how the minister's colleagues from northern Ontario tolerate him with these kind of tax grabs. It must make life very difficult for them.

The member for Sault Ste. Marie (Mr. Ramsay), I'm sure he is sitting there saying to the minister: "I don't want to be a one-tripper. Don't make me a one-tripper, Lorne." We can hear him saying it now.

Mr. Warner: He's going to vote against the bill.

Hon. Mr. Maeck: Cheapest gas in the province in Sault Ste. Marie. Don't tell me that.

Mr. Laughren: He will be long gone after the next election and the minister will be partly to blame. The minister will be partly to blame because he didn't stand up for consumers of gasoline in northern Ontario; the minister will be to blame.

That's right; and the member for Sault Ste. Marie is going to go back to his friends and his family in Sault Ste. Marie after the next election and he is going to say: "You know I really tried, but that guy from Parry Sound did me in." That's exactly what's going to happen; and the minister did it by increasing the gasoline tax.

Well, Mr. Speaker, it's a sad—

Hon. W. Newman: The guy from Parry Sound will do you in first probably.

Mr. Laughren: Steady now, steady. As a matter of fact it's the policies that this minister shepherds, if I might use that expression, shepherds through this Legislature, it's the minister's policies that are the reasons New Democrats are so strong in northern Ontario and why we are getting stronger by the day. Every time this ministry brings in a new budget, the stock of northern Ontario New Democrats goes up.

Hon. Mr. Maeck: That's not what happened in the last election; you didn't get stronger up there.

Mr. Laughren: That was before this Treasurer got his hands on the taxes of the people of Ontario; the minister might just take a poll in northern Ontario and find out how Conservative candidates are doing in the north in the federal election.

Mr. McClellan: Not too well.

Mr. Laughren: They are nowhere. And does the minister know what they are saying on the doorstep? He knows how people out there don't always make a clear distinction between federal and provincial politics. I was out knocking door to door last week and they said to me: "Ah well, I have always been a Conservative, but I am not voting Conservative in this election, not after they raised the gasoline taxes like that." I said to them: "Now just a minute, that's provincial." He said, "It doesn't matter. They are all Conservatives." So the minister sees what he is doing to his friends in Ottawa.

Mr. Breagh: Joe and the argonauts.

Mr. Laughren: He is hitching his rowboat to the Titanic, that's what he is doing.

Mr. Speaker, these taxes are inflationary.

Mr. Nixon: The only difference between the NDP and the Titanic is that the Titanic had an orchestra.

Mr. Laughren: We would have rearranged it upstairs too.

Mr. Speaker, my colleagues have spoken in a very articulate fashion on this bill. I believe it's the kind of bill that we will continue to oppose in this chamber. If someone doesn't stand up against these regressive tax grabs on the part of the government—nobody will; and that's why we are doing it and that's why we will continue to do it. We simply refuse to take the position of the Liberal Party, the Liberal Party that says, "It's not convenient for us to oppose the government bills at this time."

We say that's not the position that we intend to take, because this government has a Minister of Consumer and Commercial Relations (Mr. Drea) who is not protecting the consumers in the province of Ontario.

Mr. Warner: The minister of corporate protection.

Mr. Laughren: I saw him stand up this afternoon when my colleague from Hamilton had his bill on the food prices, and there they all stood up in opposition, just as they all will support—

Hon. W. Newman: And you were grandstanding.

Mr. Nixon: That was a terrible thing, that you blocked that.

Hon. W. Newman: And so were you; grandstanding all afternoon.

Mr. Laughren: Mr. Speaker, this is not a tax that has anything to do with conservation. It is not a tax that is progressive in any sense of the word. It is a tax that discriminates against people in northern Ontario, and we have no hesitancy whatsoever in opposing it.

Hon. Mr. Maeck: Mr. Speaker, I want members to pay very close attention to what I have to say tonight for a change, no interjections.

Mr. Laughren: Apologize to the member for Sault Ste. Marie.

Mr. Breagh: Apologize to all of northern Ontario.

Hon. Mr. Maeck: No, I am afraid not. I have no apologies to make for this bill or any other bill that we have brought in on this budget.

[9:15]

Mr. Nixon: I guess not.

Hon. Mr. Maeck: I have to say again that this is part of a package. Whether the member for Nickel Belt believes it or not, there is a fiscal policy involved in this budget and this happens to be part of it. The fiscal policy is that we expect to have a balanced budget by 1984 and the fiscal policy is also that we must collect the money we are going to

spend; otherwise, we are going to run a deficit. So we need to find money.

Mr. Nixon: But you like deficits.

Hon. Mr. Maeck: The member for Hamilton Mountain, and all the NDP members, have indicated they feel it is an inflationary and regressive tax. But I must remind all members the cost of highways and roads certainly has gone up over the last seven years and that is how long it is since we have raised the gasoline tax.

An hon. member: That is because you have been fuelling inflation.

Hon. Mr. Maeck: At the present moment in my own riding a secondary highway used to cost \$100,000 a mile to construct—that was in 1971 when I was first elected; it now costs \$200,000. So somewhere the dollars have to be found.

We heard a lot about the 9.5 per cent increase, but that is over a seven-year period, not over one. If one takes the seven years into account it is less than 1.5 per cent per year for seven years.

Mr. Nixon: What is that per month?

Hon. Mr. Maeck: So I don't know how you arrive at a 9.5 per cent figure.

Mr. McClellan: Better research.

Hon. Mr. Maeck: I think if you are going to be realistic you take it over the period since the last raise and that was in 1972.

Mr. M. Davidson: He used to work for you guys. You used to pay his wages.

Hon. Mr. Maeck: Yes, I suspect that was the case.

The member for Hamilton Mountain also talked about the aviation fuel and the 100 per cent increase and so on, but he forgot to mention, as did the other members who spoke about aviation fuel, that we have taken the sales tax off the purchase price of commercial aircraft which will more or less compensate—

Mr. Breagh: So many people benefit from that.

Hon. Mr. Maeck: —for the increase they are going to pay in sales tax. If those members are going to talk about a subject why don't they talk about all of it, not just part of it? Give us a little credit on the other end once in a while.

Much has been said by all members about the fact we have complained and the Premier has complained about fuel prices going up, and so on. But we cannot vacate our taxing field because the federal government decides any time it wishes to raise the price of fuel at the wellhead.

Mr. Nixon: It is Alberta that is doing it.

Hon. Mr. Maeck: It is not just Alberta, it is done in agreement between the two jurisdictions.

An hon. member: It's Lougheed that's a part of the problem.

Mr. Nixon: Do you know what he calls us?

Hon. Mr. Maeck: I don't know; tell me.

Mr. Nixon: It is unparliamentary.

Mr. Kerrio: Your friends in Alberta are the cause.

Mr. Speaker: Your interjections are similarly unparliamentary.

Hon. Mr. Maeck: The member for Erie mentioned this could discourage Americans from coming over here and hurt the tourist business and so on, but I would advise him and other members that it is not very long ago—I think about three or four weeks ago—the member for Windsor-Walkerville (Mr. B. Newman) sent me over a nice little article from the Windsor paper. It indicated that Americans were driving across to Ontario at the present time to fill up their gas tanks. I just don't see how that is going to have any—

Mr. Laughren: You will put an end to that.

Hon. Mr. Maeck: It is cheaper.

Mr. M. Davidson: There was a price war in Windsor though.

Mr. Eakins: Was that on the 401?

Hon. Mr. Maeck: No, I said in Windsor. So the member for Windsor-Walkerville was good enough to send me the article which indicated Americans are coming over to Windsor to buy gasoline because it is cheaper.

The member for Erie also talked about some funding for research and so on. As I indicated in one of the earlier debates, the tax that is collected goes to the general revenue fund and any of those types of programs would certainly not come under the Ministry of Revenue, but perhaps the Ministry of Energy.

Mr. Bolan: Is the honourable minister going to fix highway 520 with it?

Hon. Mr. Maeck: I would say to the member for Nipissing what I am going to do is see the district of Nipissing becomes part of southern Ontario.

Mr. Laughren: How are you going to fit Parry Sound in there?

Hon. Mr. Maeck: The member for Cornwall had some concerns about the confusion of the tax policy. I think I covered some of that earlier, but it boils down, as I said, to the fact we must collect the dollars some-

where. The people over there are demanding programs from time to time. Somebody has to pay for them.

Mr. Nixon: You gave \$1 million to a dog hospital today.

Hon. Mr. Maeck: I did not give anything to a dog hospital.

Mr. Nixon: The government did. Are you not part of the administration?

Hon. Mr. Maeck: That was from the Provincial lottery, not from the taxpayers' dollars.

Mr. Kerrio: It is not Monopoly money, it is the real stuff.

Mr. Gregory: We heard you were going to the dogs, that is why we wanted to give it a buck.

Hon. Mr. Maeck: Everybody is quiet, I can speak again.

Mr. Grande: Speak up.

Hon. Mr. Maeck: Twice now, I have mentioned the fact the farmers are not getting a fair shake.

Mr. M. N. Davison: Can we quote you on that?

Hon. Mr. Maeck: I have taken the time to make a few inquiries of my staff. The member for Brant-Oxford-Norfolk said they wait months and even years for their tax rebates. I have to inform him they are processed in four days from the time we receive them until they go back out. That is a long way from months and years.

Mr. Nixon: The minister has such a big bureaucracy, he should be able to get them out in one day.

Hon. Mr. Maeck: The fact is the honourable member should get his facts a little straighter before he makes such statements in the Legislature.

Mr. Nixon: The minister has it all wrong; gas bills have to be saved for a year before they can be sent in.

Hon. Mr. Maeck: The other point I want to make is the federal excise tax is never returned to the farmer. The feds collect it and they keep it. We at least return it.

Mr. Nixon: You get 10 cents back.

Mr. Speaker: What is wrong with the member for Brant-Oxford-Norfolk tonight? I thought you had already spoken on this.

Mr. Nixon: I am just trying to help him with his speech.

Hon. Mr. Maeck: The member for Hamilton Centre talked about our public transit policy. I think we have a good public transit policy. I think the public transportation in the city of Metro Toronto is second to none

in the world, and it has been amply supported by this government.

Mr. M. Davidson: Why don't you talk about the rest of the province?

Hon. Mr. Maeck: The member for Huron-Middlesex, who is no longer in his seat, talked and talked and talked. As a matter of fact, he read and read and read, but he did not say anything that had not already been said by all the other members before him.

Mr. Gregory: He never does.

Mr. Nixon: He made an excellent speech.

Hon. Mr. Maeck: I do have some concerns about the remarks of the member for Sudbury, because I must agree that people in northern Ontario certainly have to travel greater distances than they do in the south. As much as I hate to mention it, I must remind the member for Sudbury and others in northern Ontario, they do have the \$10 licence plates they do not have in the south.

An hon. member: That's a joke.

Hon. Mr. Maeck: It is not a joke to the people in southern Ontario who have to pay the \$60 or \$80, I can tell you.

Mr. Warner: The average person from up there is going to pay a couple of hundred dollars.

Hon. Mr. Maeck: David, why don't you resign?

I am not by any means trying to say that is full compensation for the difference. I am saying it was brought in to help to compensate.

Mr. Warner: It will cost them \$200 on the average for the next year.

Hon. Mr. Maeck: I think the member for Scarborough-Ellesmere had better check those figures out before he makes that kind of statement.

Mr. M. N. Davison: Let's hear your figures.

Mr. Gregory: If you don't drive a car, you don't need gas, dummy.

Hon. Mr. Maeck: However, there is no question this type of tax is going to cost the average consumer in northern Ontario more money than in the south. There is no question. My good friend, the member for Nickel Belt, wants justification. As I indicated earlier, we do have to spend more money on roads and the price of roads has increased. That is the one justification. The other of course is we need the dollars.

I think that answers most of the queries that were made.

Mr. Speaker, I wonder if it would be possible to hold the vote on this bill until after

the debate on the next bill? Could we have unanimous consent?

Mr. Speaker: Is that agreed?

Mr. Warner: Yes, we had agreed to that earlier. We would like to proceed in an orderly fashion this evening.

LAND TRANSFER TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 57, An Act to amend the Land Transfer Tax Act, 1974.

Hon. Mr. Maeck: Mr. Speaker, this bill, in addition to several administrative changes, includes provisions to enact the increases in the tax rates proposed in the Treasurer's budget. The administrative measures provide for greater ease of comprehension of the amount on which tax is payable, and ensures that purchasers upon registration of their deeds will be required to pay land transfer tax, regardless of when they paid for their property.

Mr. Haggerty: I would like to address myself to this bill and add a few comments with perhaps some reservations and some reluctance in supporting the bill.

We are concerned about the amendment proposed by the minister and can only say that it indicates the shallowness of his ministry and perhaps even of the Treasurer in that this is again a regressive tax. It adds to inflation, as does anything that relates to housing costs.

I was looking at the Toronto Star this afternoon, and it seems what the minister has suggested here—increasing the land transfer tax to \$45,000, which will bring in additional revenue to his ministry—is perhaps in direct contrast to what his Tory buddies in Ottawa are suggesting. In particular Joe Clark goes about in the federal election campaign telling us that he is going to give preferred low interest rates to all home buyers.

Mr. Nixon: We'll have to raise provincial income tax five per cent to pay for that.

Mr. Haggerty: Yes. There have been quite a few editorials on that particular issue suggesting that will cost the Canadian taxpayers around \$600 million, and that it won't attain the goals he hopes to attain. Apparently that lower interest rate will go to the wealthy.

This tax hits the lower income person who is buying a home worth perhaps \$35,000 to \$45,000 or less. Again, this is a matter of hitting the small working man in Ontario, and it will add additional costs to the purchase of that home.

I think we on this side have said in the past that we support a land transfer tax to cover the cost of operation of the registry offices in Ontario—the cost of having the land registered. But we have taken the view that much of that additional revenue should be passed on to the municipalities which share in some of the responsibility related to property. I suggest to the minister that this is perhaps a levy that should be looked at.

A person purchasing a new piece of property in a municipality—and the Deputy Premier (Mr. Welch) is well aware of this, particularly in the Niagara Peninsula—that has what they call an impost charge can pay a charge of from \$500 to as high as \$1,200. This, again, is an extra tax on that piece of property.

[9:30]

I suggest to the minister that he's just pushing the public a little bit too far by taxing and taxing and taxing. There's got to be an end to it some time. Overtaxation isn't the answer. This is an area where the government should be getting just enough to cover the cost of registering a property, the maintenance of the registry buildings and the staff that is required. A portion of that additional revenue should be passed on to the community or the municipality.

I look at the amendment put forward by the NDP. The mover moved that section 1(1) of the bill be amended by adding thereto the following subsection,—subsection 1(d) and the said section 1 of the act is amended by adding at the end thereof "but does not include any building used solely for residential purposes."

That will favour the speculator. This is one of the problems I find and this party finds. We must have tighter control over land speculation. It's still a problem. My colleague from Huron-Middlesex mentioned a week ago about foreign owners buying farmlands in Ontario. It's done on a speculative basis. When they buy particular farmlands, they can get a pretty healthy rebate on farm property taxes. It's one way they can generate additional revenue.

They may be renting it out to another farmer. Looking at the actual value of farmland and market value—and the minister is pretty familiar with this, as I think I've discussed it with him previously—in market value alone farmland is assessed according to what the speculator will pay for it. He's going to pay much more than the average farmer will pay for farmland. I suggest in this particular area this will add additional revenue for speculative purposes that shouldn't be allowed

in Ontario. The government must find some measures to go after the speculator and not the average person who's buying a home or who wants to buy an older home.

Mr. Eakins: No more speculation tax.

Mr. Haggerty: No more speculation tax. As the member for Huron-Middlesex said, there is a problem there. I find—and my colleague from Niagara Falls will bear this out—that speculators have come into certain municipalities and bought up acres of farmland for the purpose of later on dividing them into five-acre lots. It's farmland that's going out of production. They're renting it out now and making a profit on it.

A neighbour of mine called me a couple of weeks ago about renting land that belonged to some German people who had bought the property. He pays the taxes on it and he pays the rent on it. It runs him to quite a bit of money a year. They're sitting on something that's worth money. As long as one can get a tax rebate on the farm property, I guess I would be buying land too on that basis, if I could get a break. I suggest all of this adds to the inflationary cost of land, even this change from \$35,000 to \$45,000 with the additional revenue that's going to be brought about there. There is no doubt that it's going to add to the cost.

I would bring this to the attention of the minister that I'm concerned about the speculator. After all, the speculator who buys the land adds nothing to paying for the costs of getting services to his land until after he starts to sell it off. That's why I suggest that the additional revenues should go back to the municipality to pay for some of these future services instead of a person buying a property and paying a \$500 or a \$1,200 impost charge.

I sincerely hope the minister will give that consideration. Again, I said it's a regressive tax increase and, perhaps, we shouldn't be supporting it but we will support it.

Mr. Charlton: Mr. Speaker, I rise to speak to Bill 57, An Act to amend the Land Transfer Tax Act, 1974. I'll say right at the outset this is another bad one.

Mr. Ashe: They're all bad as far as you're concerned.

Mr. Charlton: We're going to oppose again.

This bill, again, deals in an area which is very vital to the economy of Ontario, and to Canada. It also deals with an area that has been under extreme pressure over the past 10 years. The real estate sector has been under excessive pressure. The price increases in this sector in the past 10 years

have been astronomical especially in the residential sector.

Over the past 10 years residential prices of housing have up over 100 per cent. The ability of people in this province, and right across the country to a large degree, to afford housing in this country has been substantially reduced over the past 10 years. Today, instead of looking at whether or not a man working at the steel company, or anywhere else, can afford to buy housing, we have to look at total family income. We find substantially greater numbers of wives being forced to work in order that a family unit can buy a house. This tax badly affects that sector.

Again, it may not be the most obvious or the most guilty culprit in terms of the price of housing, but it's just adding on top of what's already there in terms of excessive prices and costs. This gets added as a front-end cost. This is money people have to save before they can even consider buying a home. Housing prices have been a problem for a number of years now, and we continually seem to find ways to make those problems worse in the housing sector. This is one of them. This is one of the ways we make them worse.

The ceiling in this bill for the low rate of the tax is increased. The minister increases the bill. Actually, I guess the Treasurer (Mr. F. S. Miller) increases the bill. We should get that straight as the minister always points out to us.

Hon. Mr. Maczek: Not always.

Mr. Charlton: The Treasurer increased the ceiling on the low rate of the tax from \$35,000 to \$45,000 but, at the same time as he takes a small step in a progressive direction, he turns around and increases the low rate of the tax by 33½ per cent. It doesn't stop there either. He goes on to increase the high rate of the tax by 33½ per cent as well. The unfortunate part about all this is the progressive step isn't enough and the increase both in the low rate and the high rate is far too much. This is another tax which is regressive in nature, which most heavily affects those people least able to pay, and which is also inflationary in nature in a sector where inflation has already been excessive beyond any reason.

One of the things we should be looking for, both in this province and in this country, is ways to reduce the rate of inflation and the burden of buying homes in this country instead of finding ways to add on to those things we're not willing to control.

We now have a situation where the federal government is talking about some new tax credits to assist home owners. This government's cousins in the federal party are talking about federal tax deductions of mortgage interest to reduce the burden of buying a home. My own party is talking about federal tax deductions of mortgage interest to reduce the burden of buying a home. My own party is talking about dealing with excessively high interest rates by putting a ceiling on mortgage interest rates to deal with the excessively high cost of buying housing. But the government of Ontario turns around and ups the tax, ups the front-end load people have to pay to buy housing.

So while everybody in Ottawa is running around looking for solutions to the problem, this government adds more problems. It may not be the major source of the problem, but it still is adding to the problem and it can't get away from that. And it is adding to the problem in one of the sectors that is most vital in this country—vital because housing is a necessity; vital because we are not building enough housing and we are losing the jobs that could be created in the housing sector and we are adding taxes to make the problem worse.

I want to talk about the one very small progressive aspect of this bill which I mentioned earlier; the increased ceiling on the low rate from \$35,000 to \$45,000. It is unfortunate that the minister doesn't seem to realize that housing prices aren't uniform across this province. Identical housing on lots of identical size carries considerably different purchase prices in different areas of the province.

Unfortunately for the people of Toronto, Metro Toronto, where we are tonight, happens to be at the top of the scale. The highest prices for average housing are here in Toronto and the prices graduate down as you move out from Metro. Average prices for an average new home in Metro—not an excessively luxurious home but an average new home—is almost \$70,000. That same home on a similar piece of land in Hamilton is only about \$54,000 or \$55,000. In some areas of the province that same home is actually less than the minister's new ceiling, less than \$45,000.

We are in an economic situation in this province where people don't really have a lot of choice about where they live. People who live in Metro and are forced to pay the excessively high prices for housing in Metro can't afford to say, "I would like to get out

of Metro. I will quit my job and go elsewhere." With unemployment the way it is they can't afford to take the chance of quitting their job and going elsewhere where costs are less. They are fixed here. They are stuck here. They are held here. Their job is here. They are forced to pay the price of housing in Metro Toronto.

Unfortunately for them, because they are stuck in Metro and because they are paying the \$70,000 for an average home instead of the \$45,000 in Sudbury, or wherever, they are not only paying the low rate of tax on the first \$35,000 under the existing tax and on the first \$45,000 under the amendment, but they are paying the high rate on the last \$25,000 or \$35,000 of that house, depending on whether one is talking about a few weeks ago or now.

Unfortunately for the people in Metro or the people in Hamilton whose average homes are over the minister's ceiling as well, the high rate isn't just slightly higher than the low rate; the high rate is double the low rate. It is not just a little bit higher, it is not just a little bit of an extra penalty, it is double the low rate. The low rate is bad enough but the high rate is double the low rate.

[9:45]

So people who are forced into a location because of where they've had to go to get a job and because of the price they've had to pay for their home, are being doubly penalized. They have to pay high Metro prices for their housing or they have to pay high Hamilton prices for their housing as compared to many other areas of the province, and they also get penalized a second time, because this government can't see what average housing costs today in Ontario. That's really unfortunate and one of the things that we find very offensive about this bill. It's one of the amendments we intend to move when we get into committee of the whole House.

The other thing that I'd like to say is that perhaps the particular approach I just mentioned about raising the ceiling even further, perhaps all the way to the level of the cost of an average home here in Metro, which is the highest average home cost in the province, perhaps that's only a minimum that we require out of this amendment bill.

As my colleague the member for Nickel Belt mentioned when he was speaking to the Gasoline Tax Act—this fellow right down here, the minister knows him well; he's the one who needles you all of the time—one of the reasons we opposed the gasoline tax, and I'm going to say one of the reasons why

we are opposing this tax, is because there seems to be absolutely no relationship between these taxes and economic fiscal policy from this government. In fact, not only does there not seem to be any direction in terms of economic policy but these taxes tell us that there's a contradiction in terms of economic policy.

We hear during debates in this House, on housing, that we have problems with the price of housing, that the price of houses in this province is forcing families to have two incomes instead of one and we have to find ways of dealing with those problems. The federal government is discussing the same problems. I've already mentioned some of the approaches they are taking. We get CMHC and OHC and our own Ministry of Housing dreaming up schemes to reduce the burden, dreaming up schemes to help people afford to buy; then we turn around in our tax policy and add to the problem. Then we turn around yet again and dream up more schemes to deal with that problem. It's a vicious circle; we increase the cost of government. Not only that, but all of these gimmicks and schemes that we end up having to create in order to help people buy don't really work.

We're in a situation right now in Ontario and in Canada where hundreds, nay, thousands of families are walking out of homes they've bought in the last few years. It's a situation that's gone far beyond anything we've ever seen since the 1930s. Thousands of families are quit-claiming because the costs have escalated so much they can no longer handle them. What's even worse, Mr. Speaker—and this is exactly what I'm talking about and I hope the Speaker can take the time to kick some of you people in the behind and make you realize what you're doing—a lot of these people who are quit-claiming, who are walking out on their homes and their mortgages, are people who were in on these gimmicks, schemes, that the provincial government here in Toronto and the federal government in Ottawa have been forced to set up to try to deal with the high cost of housing.

They are walking out because these gimmicks, schemes, don't really get to the root of the problem. Yet, with this tax we are just adding a little more to the problem; putting the solution a little further away, making the problem that much harder to deal with.

What it really boils down to, as I suggested earlier, is that this tax, and the whole approach of the taxes in this budget, is in contradiction to the things the people in the federal campaign are telling us should be happening in order to stimulate the economy,

to create jobs, to help us along the road to economic recovery, to put people to work.

Everybody at the federal level is saying; "We've got to put money back into the consumers' hands because that's stimulative." This government is doing everything it possibly can to see that that doesn't happen in any kind of a constructive way. This is just one of the very blatant examples of that.

This tax increase may not be in itself excessive. This tax increase may not be in itself the whole problem, but this tax increase along with the gasoline tax increase and the motor vehicle fuel tax increase and the alcohol tax increase and the tobacco tax increase and the tax increases under the Retail Sales Tax Act and the tax increases under everything else, the mining tax—well the mining tax is a reduction, I forgot about that one; the government is just going right down the line and adding little lumps that catch in the throat of economic recovery, little lumps that catch in the throat.

Mr. Gregory: Are you going to send this stuff home or something?

Mr. Charlton: We are opposed to this tax increase because it's economically harmful; and because instead of being helpful and stimulative, it adds to a problem, which is already excessive beyond belief in the housing sector, it's already excessive beyond belief in terms of this economy's ability to allow people to buy housing.

We are just adding to the problem. We are contradicting the things we say in other sectors; we are contradicting the things that we are trying to accomplish with housing programs; we are contradicting the things that we are trying to accomplish with job stimulation in the housing sector. This tax increase at this time is silly.

Mr. Stong: There is another principle of this bill I would like to address, Mr. Speaker; it's found basically in section 4 of the bill and it deals with the retroactive aspect of it.

There are two types of retroactivity in this bill. First is the retroactivity that would collect a tax right now before the bill becomes law as of April 11; then there's the type of retroactivity that would impose that same tax on an arrangement or an offer to sell or purchase prior to April 11, 1979. It seems to me that the first aspect of retroactivity is illegal in itself and should not form part of this bill. In fact the bill ought not to come into law or have the tax collectable until the date on which the bill receives royal assent.

In addition to that, anyone who knows young people, young couples who have bought homes or are trying to buy homes in Ontario, must realize how close to the vest they have to play their hand, and how much planning and budgeting really goes into their purchase, particularly when they are trying to figure out their taxes, their insurance, their legal fees, their transfer tax as it was before, the interest rates, fuel—everything; how much they have to budget and how much income is needed and how much money they have to borrow. Many of them have entered into arrangements with the bank to borrow that money now, and as a result of this bill they are now going to be saddled with an extra cost of which they had no notice at all before April 11. That is wholly unfair and ought not to be incorporated in this bill.

It's easier to argue that the retroactive aspect of this bill, beginning on April 11, should be applicable, because as of April 11, the night of the budget, people who were contemplating the purchase of a home were put on notice they would have to pay that extra land transfer tax. But for those who had already entered into their offers to purchase, which incorporates a binding and legal document and in the absence of anything else forms a contract, that contract too is subject to this tax increase, although it was entered into prior to April 11.

It seems to me that that's really unfair and ought not to be incorporated into the bill; that aspect of the retroactivity really is a principle that ought not to be included in this bill, because people didn't have notice and it really does work a hardship, particularly on those who have to budget so closely when they are planning their purchase and now they are being straddled with this cost. So I would really urge the minister, on that particular aspect, if he will not have the tax collectable only on those deals executed or offers executed on or after the date of the bill coming into effect, at least he should have only those offers to purchase executed on or after April 11 caught by the bill rather than those offers to purchase executed or entered into prior to April 11.

I would urge him to change that aspect of this bill, so there is some alleviation of the hardship that has been worked on some young couples who have entered into offers to purchase prior to budget night. They had no notice and now they have got notice and they are saddled with the costs. Maybe they would have made other arrangements; they would have maybe taken a cheaper

house; maybe they would have been able to get a higher credit rating; they might have offered less; they may have been able to make other arrangements with the bank. Now they are stuck. I ask the minister to consider that and to eliminate that aspect of the retroactivity of this bill.

Mr. Warner: Mr. Speaker, first a point of privilege with respect to the debate which occurred during the last bill: I wish to indicate to the Minister of Revenue there was a modest mistake in the calculations I applied to the discussion. I was using the average mileage figures for my good colleague from Algoma and not average figures for the rest of the residents of northern Ontario.

With respect to the bill we have before us, as my colleague from Hamilton pointed out, part of the difficulty is that you can't just look at this bill in isolation. It is part of a package, a regressive package of taxation. I know that members of the Conservative Party who sat on the health care cost committee indicated they agreed we have our share of regressive taxes now. Surely it should be the overall economic policy of the government to try and get rid of as many regressive taxes as they can, not increase them, either in number or in substance, within each tax they have.

Surely the idea of a fair tax policy is to try and develop fair and equitable progressive forms of taxation and to eliminate as far as possible the regressive forms. That is the overall economic policy I think most people would expect to have.

But that is not what we get from this government. When they are given the opportunity to try and develop some decent forms of revenue raising they don't do it. The most glaring example, of course, is our natural resources. This province has a tremendous amount of natural resources, but the revenue we raise from it is a pittance.

The most obvious comparison to all of us, and I am sure it is quite painful to the government by this stage, is comparison with the province of Saskatchewan. They have far less natural resources than we have here but they raise a great deal more money from those resources than we do in Ontario because they have a proper tax policy. Because they are able to do that they can eliminate regressive taxes as they go along. They are not at the stage of having eliminated all of them, obviously, but the average wage earner in Saskatchewan isn't burdened the way the average wage earner in Ontario is. They have

a sensible tax policy but in addition they have some economic planning. They have developed a plan and they are sticking to it.

What do we have in Ontario? Nothing more than desperation. This is a desperate move. The government knows it has a housing problem; it knows it has some of the highest costs of housing in the country; it knows people in Metro Toronto cannot afford housing. The Minister of Revenue knows full well that for Ontario Housing alone in Metro Toronto there are 10,000 on the waiting list. These are people who cannot afford market rents, let alone have any hope of ever having a home of their own and in the face of the problem what does the government do, it increases the tax on the housing market. How can that be construed as anything but inflationary? How can it be construed to do anything but exacerbate the problem, not solve it?

[10:00]

In the face of not having a housing policy, and in the face of having a minister who wants to get rid of the Ministry of Housing, a minister who does not have the least concern about developing a housing policy in this province, this government decides to increase the tax. That is crazy; it is developed out of desperation, because there is no overall economic policy, because under pressure it is a lot easier to let Inco off the hook. That is part of the root of it. It is part of the problem with the natural resources. The minister knows it and I know it, but it is a lot easier to let them off the hook and add a small amount of tax to be paid by people who cannot fight back. That is a lot easier.

The minister will stand up and argue with figures to show it is not going to cost very much. Well, he is nickel-and-diming us to death, that is what he is doing. The last bill, the one we are opposing at division tonight, and this one—

Hon. Mr. Maecck: And all the other ones.

Mr. Warner: —and the other bad ones. We will surprise the minister, there will be a couple we support—the regressive ones, are not a lot, in total dollar amounts, but the effect is cumulative.

Mr. Speaker, I know that other members wish to speak. I could go on at greater length—

Mr. Nixon: Oh, come on. Keep going.

Mr. Warner: The member for Brant-Oxford-Norfolk is trying to encourage me. You will notice I am the only member who gets that riding right—Brant-Oxford-Norfolk. I never mistake it.

Mr. Nixon: There really are two.

Mr. Warner: Mr. Speaker, I do not know how any member of this assembly who is deeply concerned about developing an economic plan and policy for the province, and is also concerned about having fair and progressive taxation, could in good conscience tonight do anything other than vote against this bill. I certainly intend to do so and I encourage my colleagues to do the same.

Mr. Nixon: Mr. Speaker, when I was first elected I can recall very well the then neophyte Premier, a chap named Robarts, had appointed a royal commission on taxation, chaired by Lancelot Smith, a very able person who has certainly done a lot by way of his advice in the report of his royal commission to, in many ways, introduce much-needed equity and justice into the tax system of this province, which had certainly lacked justice and equity for a good long time.

I felt, when I saw this bill was coming forward, that I wanted to quote to the minister, who I am sure may have never heard of Lancelot Smith, just what the royal commissioner had said about the tax at that time. He made some criticism which has been corrected, at least to some degree, by the minister's predecessor. But, I thought I should read just a short paragraph from page 296 of volume III of the report of the Ontario committee on taxation.

"On grounds of equity it is impossible to justify the land transfer tax. For individuals the time of purchase of real estate is seldom the time when they have the greatest liquidity or capacity to pay tax. To suggest that the action of buying real estate indicates an ability to pay, and that the purchase of this commodity are good measures of such ability is nonsense.

"If, as we conclude, the ownership of property is not a particularly accurate index of ability to pay, the act of purchasing property is worse. To the extent that property is bought by businesses, the concept is entirely inapplicable. Similarly, there are no benefits bestowed on property purchasers by government that are not already paid for through fees charged by land titles and registry offices." I want to leave out a couple of sentences, which the minister may want to introduce if he chooses.

On page 296, he goes on as follows: "In short, we"—that is, the royal commissioners—"think that the tax on transfers of land is a poor one, and that the other Canadian provinces are wise in not having one." I haven't really perused any updated review of this report. Some of the other provinces may actually have them now. I have

checked one or two of the facts associated with this with the minister's chief advisers sitting under the gallery, but this is one area that I didn't have an opportunity to review.

The commissioners go on to say that, as far as revenue is concerned, a sales tax on various services associated with land transfer would be fairer and easier to administer. It could be designed so that those people who were demonstrating the ability to pay would, in fact, be taxed.

On page 297, they make recommendation 31:4: "The land transfer tax be abolished and that commissions charged for services by real estate agents be made subject to the retail sales tax." I am not prepared to debate with the minister tonight the efficacy of putting a sales tax on real estate commissions, but the royal commissioners in reviewing this objectively, felt and recommended to the government of the day that that was a fairer way to extract whatever revenues were needed from the sale of land in this connection.

Frankly, I think the land transfer tax has been useful, particularly in the much larger rates that are charged people who are not citizens of Canada in transferring titles to property to them. That concept was an appropriate one under some circumstances, but it has been singularly ineffective in stopping the transfer of our farmlands, our recreational lands and many of our developable properties in the urban areas to foreign ownership.

This is a matter that my colleague from Huron-Middlesex has brought to the attention of the House, and it is one which should concern us. I believe one of the ministers—I guess it was the Minister of Agriculture and Food who is not in the House now, although he was here earlier—had indicated that it was brought under control by the land transfer tax. But our experience and the facts show that that is not the case. Many of our best properties, agricultural, recreational and developable, have passed out of our jurisdiction in spite of the 20 per cent levy on land transfers.

I don't want to single out any individual foreign proprietor but there is one company which I am sure some of the ministers opposite remember which, when it first came to Canada, had practically no bank balance at all. As I recall, they had about \$2,500 to their name in Canadian currency. I refer to Fidinam Limited. They were able to get a transfer of some \$50,000 for political purposes some time in the early 1960s to assist them in getting a deal with the Workmen's

Compensation Board whereby these properties were transferred and changed.

Many things have happened since then, in spite of the 20 per cent land transfer tax paid by foreign buyers. Fidinam now owns what used to be my favourite hotel, the Park Plaza, and the Plaza II. As I drive up University Avenue, I remember seeing the big sign for the rental of a large office down there by Wellington Street. Those are three properties that I have seen just in casual observation, and I understand that Fidinam is now one of the largest landowners here. They even own a large chunk of land down in Haldimand county which they had hoped was going to be approved for industrial and/or residential development. I am not sure that such approval has been granted, but that company has done extremely well indeed, in spite of the 20 per cent land transfer tax which was referred to by the minister.

My colleague, the member for Erie, has indicated that this does not form a part of the basic principles we are prepared to put forward in opposition to the government to precipitate an election. The NDP was prepared to have an election on a five cent increase in subway costs for Toronto; evidently they are also prepared to have an election on the 2/10ths of one per cent increase in the land transfer tax.

Mr. Laughren: We are prepared to have an election on the government's economic policy.

Mr. Nixon: They feel they are justified in saying that 2/10ths of one per cent is sufficient for them on a matter of high principle.

Mr. Laughren: That's right.

Mr. Nixon: But, Mr. Speaker, you know as I know, that it is the moderation and good sense of the Liberal Party that maintains the stability in the House, as we must, as a Legislature, continue with the business of governing the province of Ontario for the benefit of all.

This is a niggling little increase, and one that is an irritant. It indicates that the government has never come to grips with the broad recommendations in principle of the Lancelot Smith committee, that this will undoubtedly not be possible for the government, which has been in office these 35 years. They haven't been able to come to grips with these broad changes,

Mr. Speaker, I know you will agree with me that it will necessitate a change in government in order that new principles be brought to bear for justice and equity in the tax system of this province.

Mr. Bolan: Throw the rascals out.

Mr. Laughren: Mr. Speaker, as my colleague has said, we're voting against the government housing policy as reflected in this bill.

Mr. Nixon: For 2/10ths of one per cent.

Mr. Laughren: We think it's not the kind of housing policy we can support.

The member for Brant-Oxford-Norfolk didn't express it quite right. What he really should have said was that it's the Liberal Party's unofficial coalition with the Tories that's keeping the status quo in Ontario, that's what he really should have said. It's not stability that's maintaining the status quo and all the regressive taxes that are there in the status quo; that's what it really comes down to.

The Minister of Revenue looks over at us, as we vote against this bill, as we have with others on gasoline taxes, and he says, "You want to reduce all taxes." That's what he says to us. I heard him say it, he interjected it.

He doesn't understand; I really think he doesn't understand.

Hon. Mr. Maeck: You don't understand that we have to have some money.

Mr. Laughren: The minister is not a manipulative person. I think he simply doesn't understand. What we are saying to him is that it's no coincidence he's picked these kinds of taxes to raise. There's lots of taxes he could have raised.

As a matter of fact, Mr. Speaker, if I thought you would allow it, if I thought you wouldn't rule it out of order, I could tell the minister the taxes we would raise in the province of Ontario.

As a matter of fact, when we were talking about the budget, anticipating the budget the member for Muskoka (Mr. F. S. Miller) was going to bring in, we raised more money in our calculations than the Treasurer did; but they were all from progressive sources, every single one of them; whereas the governments' taxes are from regressive sources, that's the difference.

It makes no sense for the minister to stand up and say we would reduce all taxes; that's nonsense. We would not increase these taxes because they contribute nothing, except to the coffers of the consolidated revenue fund.

What we are talking about is the way we would raise taxes. We understand the need to raise revenues, we understand that as well as the minister does. As a matter of fact if he were to take a poll in the western world, he would find that the really responsible fiscal people in government are democratic social-

ists, not free enterprisers who have run up the public deficit; not us.

Mr. Nixon: That's why the United Kingdom is in such good shape.

Mr. Laughren: It was the Tories who did it in the UK and the member knows it.

We are the fiscally responsible political party.

Mr. Nixon: Now they're coming over here and want to run us.

Mr. Laughren: That is heavy, I can't cope with that.

Mr. Nixon: That's the only racial prejudice that's permitted.

Mr. Laughren: Mr. Speaker, what we're saying to the minister is that this is another tax that is just adding an increased burden on people who should not have increased burdens. That's what we're saying. There are other taxes he could raise; the Treasurer knows what they are.

Mr. Nixon: Are you suggesting income tax be raised?

Mr. Laughren: I'm suggesting—

Mr. Nixon: He wants to raise personal income taxes.

Mr. Laughren: I'm being provoked.

Hon. Mr. Maeck: We could raise corporation taxes 20 per cent but it wouldn't be enough; you would want 50 per cent.

Mr. Laughren: Mr. Speaker, the members are being very provocative.

Hon. Mr. Maeck: Well, you are provoking me.

[10:15]

Mr. Laughren: The Treasurer has already raised the corporations tax for some corporations. We would say that should be increased across the board and not selectively the way the minister has done it. That's not the way to increase taxes either at the corporate level.

Hon. Mr. Maeck: If you want to be fair with everybody charge everybody the same.

Mr. Laughren: You're right. Instead of raising OHIP premiums, which have no relationship to the ability to pay, we would increase corporation taxes and certain income taxes.

Mr. Speaker: What has that got to do with the land transfer tax?

Mr. Laughren: There are alternative ways of raising money—

Mr. Speaker: That's not in this bill.

Mr. Laughren: You're quite right, Mr. Speaker.

We are adamantly opposed to this bill.

Hon. Mr. Maeck: Mr. Speaker, I will be as brief as possible. I see the clock is now at 10:15 and we would like to have a vote before 10:30 if possible.

I did want to reply to just a couple of statements that were made.

The member for Erie (Mr. Haggerty) suggested that the funds raised from this tax should be passed on to municipalities. I would remind him that funds are already passed on to the municipalities. Again, it's the same as any other tax, it's put into the general revenue fund and from there it's delivered to the various places that the money goes, so the municipalities already are getting money.

The member for Hamilton Mountain (Mr. Charlton) made a great, long speech about the difference in the value of the same houses in various areas. I would just like to remind the member for Hamilton Mountain that there are one or two reasons why there are different values for the same type of house in different areas. One of the main reasons is the difference in salaries and wages. Usually, people who are paying \$75,000 for a house are making much more money than those in the area where the same house costs \$45,000, so the member has to take that into his calculations.

Mr. Charlton: Isn't that funny, the civil service negotiates the same wage rates province-wide.

Interjections.

Mr. McClellan: What a lot of nonsense that is.

Mr. Speaker: Order.

Hon. Mr. Maeck: It is not nonsense. If you go into a low-income area you will find that the value of the property is lower. Come on, be reasonable.

Mr. M. N. Davison: Are there no \$75,000 homes in Parry Sound?

Hon. Mr. Maeck: I would say to the member for York Centre (Mr. Stong) my staff have advised me—but perhaps this answer is not correct. They advise me that the land

transfer tax is due on the date of the registration of the conveyance at the registry office. The application of the tax increase is not retroactive. So whether there has been a misinterpretation on my part or the member's I'm not sure. However, if he still has some reservations, he should let me know.

I will wind up my remarks so that the vote can be called.

The House divided on Hon. Mr. Maeck's motion for second reading of Bill 55, which was agreed to on the following vote:

AYES

Ashe, Auld, Baetz, Belanger, Bennett, Bernier, Birch, Bolan, Breithaupt, Campbell, Conway, Cunningham, Cureatz, Drea, Eakins, Gaunt, Gregory, Grossman, Haggerty, Havrot, Henderson.

Johnson, J., Jones, Kerrio, Lane, Maeck, McCaffrey, McCague, McKessock, McNeil, Miller, G. I., Newman, W., Nixon, Norton, Parrott, Peterson.

Ramsay, Riddell, Rotenberg, Rowe, Ruston, Snow, Stephenson, Sterling, Stong, Sweeney, Taylor, G., Timbrell, Van Horne, Villeneuve, Watson, Welch, Wells, Williams.

NAYS

Bounsall, Breaugh, Charlton, Cooke, Davidson, M. N., Davison, M., di Santo, Duszta, Germa, Grande, Johnston, R. F., Laughren, Mackenzie, McClellan, Philip, Renwick, Samis, Warner, Ziembra.

Ayes 54; nays 19

Ordered for third reading.

The House divided on Hon. Mr. Maeck's motion for second reading of Bill 57, which was agreed to on the same vote.

Ordered for committee of the whole.

THIRD READING

The following bill was given third reading on motion: Bill 55, An Act to amend the Gasoline Tax Act, 1973.

The House adjourned at 10:35 p.m.

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No. 33

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Friday, April 27, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 27, 1979

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

ONTARIO ENERGY CORPORATION

Hon. Mr. Auld: Mr. Speaker, as honourable members will recall, in 1975 the government established the Ontario Energy Corporation as a vehicle for making public investment in energy projects of strategic importance to the province. Since then, the corporation has become involved in three projects: Syncrude, Polar Gas and the use of byproduct heat from the Bruce and Pickering nuclear generating stations for agricultural and aquacultural purposes.

Today I would like to advise the House of recent decisions to restructure and re-finance the Ontario Energy Corporation and to outline the corporation's new mandate. Last December the corporation sold its five per cent interest in Syncrude. With the profits from that sale, the government has decided to redirect the efforts of the corporation and to do so without imposing new burdens on the taxpayer. The new mandate of the corporation will be financed entirely out of the profits earned from its Syncrude investment. At the same time, the government will be reimbursed with interest for all of the moneys put into the corporation over the past four years.

This means that from the \$160 million proceeds the corporation received from its Syncrude investment, it will reimburse the government \$137 million, including a repayment of \$12 million which the government had invested through the corporation in the Polar Gas project. Ontario is continuing its participation in the Polar Gas research project, which is designed to bring supplementary supplies of natural gas from Canada's northern frontier to southern markets.

The remaining \$23 million from the proceeds of the Syncrude investment will be used to finance existing and new energy projects. To achieve this objective, the corporation will be recapitalized at \$35 million, made up of the \$23 million in cash from the proceeds of the Syncrude sale and the \$12 million investment in Polar Gas.

Because Ontario is dependent on other jurisdictions for much of its energy, its long-term energy future is no less certain today than in those difficult months immediately following the oil crisis of 1973. The need to provide assurance of supplies of energy in all its available forms and at reasonable prices continues to be the fundamental goal of Ontario's energy policy. As noted in the recent speech from the throne, security of energy supply is a key element in maintaining and building the necessary business confidence in the Ontario economy and is a prerequisite of our ability to compete successfully for jobs and new investments.

In this context, the Ontario Energy Corporation can play a valuable role by stimulating the private sector to invest in appropriate energy projects. The changes in the financing and organization of the corporation will allow the Ministry of Energy to become more involved in the development of important and new energy projects without displacing private investment and/or initiatives.

Some weeks ago I announced the reopening of the James Bay lowland area for mineral exploration and, in particular, for the search for additional lignite resources. Where appropriate, the Ontario Energy Corporation will provide assistance in joint ventures with private exploration companies with the object of encouraging a broader exploration effort in the region.

My recent announcement of a joint \$6-million program by Ontario Hydro-Onakawana Development Limited to further evaluate the Onakawana lignite deposit should also encourage other companies to investigate and develop the potential for this indigenous energy resource.

Mr. S. Smith: You should be using every cent of that for renewables, and you know it.

Hon. Mr. Auld: While the corporation will continue selected activities in conventional energy sources—oil, gas and coal—the corporation will now be directing more of its efforts towards the support of energy from waste projects and the use of byproduct heat from electrical generating stations.

I am pleased with the progress being made at the Bruce and Pickering stations to de-

velop greenhouse operations using the warm water available from the nuclear stations. This greenhouse project is an excellent example of the kind of initiatives that can be undertaken by the public and private sectors together in the commercial development of a previously unused energy source.

Within the next week or so, I expect to be in a position to advise the Legislature of further initiatives by the Ministry of Energy to develop energy from waste. We are at the stage where a limited number of projects—utilizing waste from garbage, forests or other sources as a supplemental energy source—would appear to be economically attractive. The Ontario Energy Corporation will have a significant role to play in acting as a catalyst or investor in some of these projects, so that they can be initiated earlier than they might otherwise have been.

The corporation's five-member board of directors, currently all public servants, will be changed to include two private sector members in order to strengthen the commercial direction of the corporation's affairs. I shall be announcing the names of the new directors within the next few weeks.

The corporation will operate in future as a financially self-sustaining entity with control being exercised by the government through its share ownership and through the corporation's board of directors. The Minister of Energy will continue to hold all of the issued common shares of the corporation and the Deputy Minister of Energy will continue as chairman and chief executive officer.

In accordance with government policy, a memorandum of understanding between the corporation and the Minister of Energy is in preparation and will be tabled in the Legislature shortly.

The primary objective of the corporation's new mandate will be to improve Ontario's energy supply prospects, rather than to maximize profits. Nevertheless, its participation in any project will have regard to the prospect of obtaining a return on its capital. The corporation will primarily consider equity participation with private companies in individual projects. However, as I said earlier, the mandate of the corporation is to encourage private-sector investment, not to displace it.

The new mandate of the Ontario Energy Corporation will add to the ability of the province to take positive steps in co-operation with the private sector in order to assure Ontario's future energy supplies.

Mr. S. Smith: Mr. Speaker, may I rise on a point of privilege please? It is a point of privilege because it would appear that—undoubtedly inadvertently—the House has in

some way been misinformed, either by this minister or by the Treasurer (Mr. F. S. Miller). This minister has just said that from the \$160 million proceeds the corporation received for its Syncrude investment it will reimburse the government \$137 million, including a repayment of \$12 million, and the remaining \$23 million from the proceeds of the Syncrude investment will go to various other new energy projects. Yet on page nine of the budget statement the Treasurer said, in speaking of his Employment Development Fund: "The amount of the fund has been set at \$200 million . . . I would stress that the proceeds from the sales of our share of Syncrude and of Ontario Mortgage Corporation mortgages, as well as additional revenues . . . are more than adequate to finance the Employment Development Fund this year."

I guess you and I are waiting for our tax refunds, Mr. Speaker. We have probably thought of five or six places we are going to spend the same money. It is only human to do so, but I would like to know which of the ministers is correct as to where the Syncrude proceeds are really to be used.

Mr. T. P. Reid: Who's running the store over there?

Hon. Mr. Auld: I believe we are both right because there is sufficient for both.

Mr. Nixon: Do you mean that is the answer?

Hon. Mr. Davis: They are both right, as is always the case.

RABIES CONTROL

Hon. Mr. Auld: Before anybody becomes mad, it is my pleasure to announce that this government, through the Ministry of Natural Resources, will launch a major project to complete developmental work towards a provincial rabies control program. This will extend over a period of three years and cost \$2.65 million.

Mr. Kerrio: This is two days in a row we are going to the dogs.

Hon. Mr. Auld: Funds from the Provincial lottery will be used by universities, industry and research institutions, under Ministry of Natural Resources' co-ordination, to perfect a system of mass-producing a safe, effective rabies vaccine in a bait and to distribute that bait to wildlife.

Rabies, an age-old disease, has been present in Ontario for the past 25 years and has been estimated to cost residents more than \$4.6 million annually. Originally brought to this province from the Arctic by foxes, rabies is now carried primarily by foxes and skunks.

They, in turn, infect livestock, pets and humans.

Ontario could be called the rabies centre of North America. In fact, we have more cases than any state or province on the continent. About 1,000 to 2,000 animals are diagnosed rabid every year and about 1,000 men, women and children are vaccinated annually after exposure to rabid animals.

As the honourable members know, such victims must undergo a series of 14 injections in order to avoid the risk of a traumatic death. Many persons experience painful reactions to the injections themselves. Since the first epidemics occurred in Ontario in the late 1950s, the government has been keeping track of the problem.

Several methods of controlling rabies have been investigated, but none has as yet proved either successful or economical. Thirteen years ago the World Health Organization suggested potential rabies carriers be vaccinated by feeding them a bait containing a vaccine. A year later, Ontario initiated research into such a project. As a result, an effective vaccine for foxes has been successfully developed in laboratory trials.

The vaccine can be placed in small capsules or granules and mixed in balls of meat. These can then be distributed by aircraft over countryside inhabited by animals which are potential rabies carriers. Although the vaccine is not yet ready for testing in the field, the proposed distribution method has been tested using a marking agent to simulate the vaccine. That marking agent shows up in the teeth of animals that have eaten the bait. Field tests indicate that 74 per cent of the foxes in a rural area can be baited in this way at a cost of \$2.35 per square kilometre, which works out to about \$6 per square mile.

This research project is midway in its final application to large-scale use in the rabies area of Ontario. The vaccine which has been developed in the lab trials has not been safety tested in various species of wildlife. Before any product is released into the environment we want to make sure it is as safe as possible. Also, methods for mass production of the vaccine and the final bait product must be established with industries experienced in such procedure.

[10:15]

This research project will enable us to close the final gaps in our proposed control program and it will be a major factor in reducing the pain and suffering of wildlife, pets, livestock and humans. I am also confident that the Ontario vaccine bait system,

when operable, could be used to control rabies in other parts of the world. For example, Europe is suffering a fox rabies epidemic. Also, in India dog rabies still kills thousands of people a year. We have great hopes that this program will enable Ontario to lead the way in solving our own rabies problems as well as helping others to control theirs.

DISASTER RELIEF ASSISTANCE

Hon. Mr. Wells: I would like to inform the House today of the government of Ontario's contribution to international relief efforts along the Adriatic coast of Yugoslavia and also in the northern section of the island of St. Vincent in the Caribbean.

Mr. Nixon: What about Manitoba?

Hon. Mr. Wells: The government will contribute \$20,000 to the earthquake disaster relief fund of the Montenegrin Association of Toronto, matching the funds that have been raised by the Yugoslavian community here in Toronto to date. I understand this donation will be channelled through the Ontario division of the Canadian Red Cross Society toward relief and rehabilitation operations undertaken and to be undertaken by the Red Cross in Yugoslavia following the Easter Sunday earthquakes.

In response to a pledge from the St. Vincent Volcanic Disaster Relief Committee, the government of Ontario will contribute \$7,000 to the assistance of the stricken island of St. Vincent. This donation of \$7,000 will go towards the purchase of four tarpaulins to be used as covers on the reservoirs which are being polluted daily by the volcanic ash. It is my understanding that those tarpaulins are already on their way to St. Vincent or, if not, will be within the next day or so.

It is our hope that these contributions will further assist the valiant emergency efforts in these disaster areas.

FISH TESTING PROGRAM

Hon. Mr. Parrott: Mr. Speaker, as I indicated yesterday, for some weeks I have been planning to report to the members on Ontario's fish testing and information program prior to the opening of the 1979 fishing season. I think my announcement today is especially timely in light of this week's events concerning fish in Lake Ontario.

Many members are aware that Ontario has pioneered the testing of sport fish for possible contamination and the recommendation of safe guidelines for the consumption of fish

based on our test results. For the past three years, we have provided this information to the public in a convenient, easy-to-read, yet comprehensive form. We have issued monthly bulletins as tests were completed on new lakes and rivers.

I am pleased to announce that copies of the 1979 editions of our bilingual publication, *Guide to Eating Ontario Sport Fish*, are being released today and are now available to the public throughout the province. Members will have a set of these three booklets. They will be in their boxes. I am pleased to provide these for the members. In today's papers, there will be an ad to inform all the residents of Ontario where they can obtain these booklets.

The 1979 editions provide the results from tests of more than 43,000 fish taken from 625 lakes, rivers and parts of the Great Lakes. Testing shows that the majority of sport fish from these waters are free from contamination and may be eaten safely in unrestricted amounts. In fact, in 93.3 per cent or 503 of the waters tested, some or all of the sizes of species of fish were found to be suitable for unrestricted consumption, that is, 21 meals per week.

In only 6.4 per cent or 40 of the waters tested, do we recommend restricted consumption of all species and sizes tested. There are only 0.32 per cent or two of the water bodies tested where we have recommended no consumption of any fish tested. These two locations are on the Wabigoon River below Dryden and nearby Clay Lake. On Clay Lake, a federal-provincial task force is investigating possible remedial measures to counteract the mercury problem.

These facts are documented in our booklets, *Guide to Eating Ontario Sport Fish*, which are published in three editions, namely northern Ontario, southern Ontario and one for the Great Lakes. They are available without charge from offices of the Ministry of the Environment, the Ministry of Natural Resources and, in northern Ontario, the Ministry of Northern Affairs. As a new service this year, these booklets will also be available at vacation outlets of LCBO and Brewers' Retail stores during the spring and summer months.

I would also like to report to the members that the 1978 booklets were extremely well received by the public. More than 130,000 copies were distributed during the past year. Some members have written to me this past year, asking that a specific lake be tested. Where possible, we are attempting to accommodate these requests but, Mr. Speaker, I am sure you as much as anyone, and perhaps

more than most, realize that we have a large number of lakes, some 250,000.

Hon. Mr. Davis: Do you think he fishes more than the rest of us?

Hon. Mr. Parrott: I am not sure whether the Speaker fishes more than the rest of us, but if he does, I hope he has a good weekend.

Mr. Speaker: I have a lot of good friends who do.

Hon. Mr. Parrott: Bring us some back. It is a big job, Mr. Speaker, to test all of these lakes but we have certainly made a good in-road to that. Fish testing does not come cheaply. Our laboratories can handle about 12,000 fish a year. This means about 200 new lakes and rivers can be covered each year.

While we have tested most of the popular sport fishing areas in Ontario, over the next few years the majority of angling waters in the province will be involved in the testing program.

One other major change this year is that of the wording on the signs posted at lakes and rivers. Previously, the House may recall, the signs read, "Check before you eat." Some tourist operators complained that this was too negative, particularly for the increasing number of lakes and rivers where test results indicated no problems. That is why, this year, we will be using a new sign that will read, "Ontario's fish testing program," posted at the lakes and rivers that have been tested.

I think the honourable members will agree it presents a more balanced picture of the fine quality of fishing available in this province. Ontario's fish testing program is designed to help it stay that way and may I wish not only you, Mr. Speaker, but all other members who do indulge, good fishing.

SECURITY DEPOSITS

Mr. Eaton: On a point of personal privilege, I would like to draw to the attention of the House what I believe to be a statement of misinformation of fact, and I quote: "The government proposed that landlords continue to pay only six per cent in interest on security deposits which they hold. Under pressure from opposition parties, the interest rate has been increased to nine per cent." Mr. Speaker, I would like it to be known that I personally moved the motion to increase it to nine per cent, which was supported by all my colleagues on the committee and that that is a misstatement of fact in an article called, "Perspective—A Newsletter from Stuart Smith, the Leader of the Opposition."

Mr. S. Smith: It was under pressure, and the member knows what happened in that committee.

ORAL QUESTIONS

DIOXIN IN FISH

Mr. S. Smith: My first question is directed to the Minister of the Environment, Mr. Speaker. Along with many other citizens in Ontario we have waited for his much-promised statement on dioxin. He promised it yesterday; he promised it today and we still don't have it. May I ask the minister, first of all, where it is and why we don't have a statement on it? Second, can he explain why it is that in December 1976 an article appeared in the *Globe and Mail* saying the Ontario ministry was preparing to test for dioxin, and now, two and a half years later, the ministry still appears to be unable to test for those substances?

Hon. Mr. Parrott: Mr. Speaker, the material in the statement on dioxin was covered rather extensively yesterday in questions and by a great number of the media after the question period.

Mr. S. Smith: Hansard will show you promised a statement.

Hon. Mr. Parrott: I am quite prepared, when we have the results from the fish we sent to Nebraska for testing, to make a further statement at that time. I really feel that much information was given yesterday in the statement, and we will make a report to the House at the time we have the results back from the lab.

With reference to the article in the *Globe and Mail*—did the honourable member say two years ago?

Mr. S. Smith: Two and a half years ago.

Hon. Mr. Parrott: Two and a half years ago? Then I say to you, Mr. Speaker, and to the leader of the Liberal Party, I will be glad to get that reference out and, when I have seen it, we will see what that statement says and go from there.

Mr. S. Smith: The question is not whether the minister has read the *Globe and Mail* of 1976. The question is whether the minister can explain why it is that his ministry is still unable to test for dioxin. He seems able to give us bland reassurances about how everything is fine, even though (a) he does not know where the dioxin is coming from, (b) he cannot test for it here in Ontario and (c) Ontario has had no regular program of testing for dioxin set up with those people who can test for it.

What I want to know, at least to start an answer to this question, is why it is that, even though two and a half years ago they were preparing to test it, his ministry never got around to doing it?

Hon. Mr. Parrott: I do not know what that statement contained then. We are able to test for dioxin in our labs now. We do not have an extensive number of results to report. At this time we certainly cannot do the tests—and I made this very clear yesterday—for dioxin in the flesh of fish.

If the leader would like, I would be more than pleased to supply a tape from the David Schatzky program this morning, where I thought a very balanced view was presented by Dr. Axelrod of the New York state department; I think he covered many of the questions just raised. Let me expand on that a little—

Mr. Kerrio: The worst polluters in America are in New York state.

Hon. Mr. Parrott: It was not Dr. Axelrod who was doing the polluting. He made the point, and I think very well, that the source of contamination by dioxin will be practically impossible to pinpoint. You cannot decide that it came from a specific site. We know where the dioxin material has been used and the potential sources, but certainly one of the points he raised was that dioxin, a byproduct of herbicides, likely could be from many of the fields and therefore find its way into the streams throughout not only New York state but indeed other provinces and states as well.

Mr. Nixon: He also said it was from coal-fired generation.

Hon. Mr. Parrott: That was another point he made, that it could be from coal-fired generation. That comes from a report that Dow Chemical has prepared; there are many scientists who might be quite prepared to challenge that assumption.

Mr. Nixon: You agreed with everything he said this morning?

Hon. Mr. Parrott: No. I said Dr. Axelrod, I think—

Mr. Speaker: Order. We are running into the same trap that we did yesterday, with the minister not being succinct enough in his responses. Just ignore the interjections—

Mr. Riddell: He'd have to know what he was talking about to be succinct.

Mr. Speaker: Just ignore the interjections and perhaps we will get along a little bit more speedily.

Hon. Mr. Parrott: Mr. Speaker, the point I was making, and let me be very succinct, the point source of dioxin is rather difficult to

make relative to where it comes from and how it gets to a specific fish. We know a great deal about the use of dioxin. We know a great deal about the levels of dioxin that are found. But to relate the two is not difficult; I think it is impossible. We will have to look at and be concerned about all these sources, and we are.

Ms. Bryden: Supplementary, Mr. Speaker: If the minister does not have the capability for testing for dioxin in fish, how can we be sure that the fish covered by the recommendations in his new booklet on what is safe to eat out of Lake Ontario have been tested for dioxin? Is the smelt run this year safe for consumption, for example?

[10:30]

Hon. Mr. Parrott: There is a great deal of scientific evidence on that point and I will be glad to supply it to the honourable member. I talked about the herald substances yesterday. There is so much that is known. It is true that we have not tested for dioxin in the flesh of fish yet; we will be testing. But that does not mean there is a vacuum of knowledge on the subject. One is not drawing a conclusion there is no health hazard on a vacuum of information and knowledge—very much to the contrary. I will be very pleased to supply a rather comprehensive response to the question of scientific evidence that leads to that conclusion.

I have had the pleasure and the opportunity to discuss this frequently with officials of the ministry, well informed and very knowledgeable in these scientific approaches. I will be more than prepared to share that with the member opposite.

Mr. Gaunt: Supplementary: Since the ministry does not test fish for dioxin, how can the minister say with authority, as he did this morning, that in 93.3 per cent of the waters tested, some or all sizes and species of fish were found to be suitable for unrestricted consumption?

Second, since the US testing agency clearly has said that pregnant women and children should not eat fish from Lake Ontario and Lake Erie, is the minister saying that warning should be neglected or at least not observed?

Hon. Mr. Parrott: This I think will be very clear. It is scientific in its approach. But the fact I think in simple lay terms is this: In the absence of the things we have tested, then one is quite confident there are infinitesimally small quantities of dioxin, indeed quantities that are unmeasurable.

Just before I came to the House this morning one of the gentlemen—I think he is in

the gallery right now, and if the two members opposite want to visit with him I think they would find it very informative—was talking not in parts per trillion but quadrillion. That is like saying 000 a thousand times. That is a very watered-down particulate. It is that kind of evidence, which I think is very clear, well known and well documented in all scientific literature, that gives me the privilege of making the statement that there is safety in our fish testing program for the chemical dioxin, notwithstanding the fact a specific test for dioxin has not been made.

[Later (11:25):]

Mr. Gaunt: On a point of privilege, Mr. Speaker, I suggest the Minister of the Environment inadvertently misled the House this morning when he replied to my leader: "We are able to test for dioxin now in our labs. We don't have an extensive number of results to report."

One of our research people called MOE to get those results and was told they don't have any results, because while they've got the methodology they've never actually done any tests. I wanted to correct that.

[Reverting (10:35):]

PUBLIC HOUSING

Mr. S. Smith: In the absence of the Minister of Housing (Mr. Bennett), I would like to direct a question to the Premier. He undoubtedly knows there is a dispute between the province and Metro regarding who should run public housing in Metro and who should pay. I really do not want to hear about that in the answer to the question. What I want to know is simply this:

Does the Premier know there are at present in Metro Toronto more than 3,000 elderly people facing very large rent increases—up to 50 per cent, in limited-dividend housing units? Does he know that Metro is prepared to prevent this increase by offering to pay 50 per cent of the cost to convert these units into rent geared to income and the federal government is prepared to pay the other half?

My question is this: Why is the province preventing this agreement from taking place? Why is it standing in the way of the federal money, and in effect allowing the Minister of Housing in a sense to hold these elderly people as hostages to get further agreements of another kind? Why can they not simply accept Metro's offer to pay 50 per cent and the feds' offer to pay the other 50, and let the matter be solved, at least for these elderly people?

Hon. Mr. Davis: Mr. Speaker, I am always intrigued by the Leader of the Opposition who leads off his question with a statement saying he does not want any answer to the statement he has made. I will not make any answer to the statement he made, even though it was part of the question. I will just casually observe this matter is under discussion, there is a group of people working on it, and I am sure we can find a solution.

Mr. S. Smith: By way of supplementary, since there are 3,000 elderly people, some of whom are facing a 50 per cent rent increase, and since I was trying to avoid the possibility that the Premier might perambulate around the area of the general dispute—

Hon. Mr. Davis: I don't know how to perambulate.

Mr. S. Smith: —between the province and Metro with regard to housing, I wanted to focus the Premier's attention on the one dispute—

Mr. Foulds: Good luck.

Mr. Sweeney: We're full of optimism.

Mr. S. Smith: —which has to do with the fact that the province, in order to lever Metro into accepting other terms on other housing deals, is now standing in the way of the federal money coming to Metro, and is doing so by holding the elderly as a kind of hostage in this situation. I want a clear response. If the Premier is not familiar with this, let him simply admit that he doesn't know about it and have the minister answer it. Let him also call the Metro Chairman and explain why the province won't let Metro pay 50 per cent and accept the other 50 per cent from Ottawa, when 3,000 people are facing very drastic increases.

Hon. Mr. Davis: In reply to the non-question, which was once again just an observation by the Leader of the Opposition, I reiterate what I said. We're in the process of discussing this issue and I think we can resolve it.

FOREIGN OWNERSHIP

Mr. Laughren: Mr. Speaker, I have a question for the lean and hungry Minister of Industry and Tourism and global product mandating. Does the minister recall that he told this House last November—as a matter of fact, the Treasurer (Mr. F. S. Miller) was also involved in the question—that he was concerned that the Foreign Investment Review Agency had drifted away from its original mandate, which was “neither to close the door entirely nor to open the door entirely”? The minister really did say that.

Hon. Mr. Davis: There aren't doors that size.

Mr. Laughren: Since FIRA tells us that approvals of foreign investment are both screened by the province and virtually always endorsed by Ontario, will the minister confirm that the government of Ontario has opened the door very wide—wide enough for an elephant to go through—and that it has approved something over 90 per cent of the applications in this province for foreign takeovers of new business?

Further, would the minister table for this House the criteria on which Ontario's decisions are made, since he has had over five months to dream up some since the original question was posed to him?

Hon. Mr. Grossman: I would say to the acting leader of the third party, as I confirmed at that time, I think, we do get consulted by FIRA.

Mr. Kerrio: Great acting.

Hon. Mr. Davis: All the world's a stage, as the member for Niagara Falls knows.

Hon. Mr. Grossman: The situation varies on the applications. For example, if it is what is referred to as a short application, a rather small application, there is little or no opportunity for us to make a submission. On the other hand, there are a vast number of other cases upon which our advice is sought, and on those occasions we do give some advice.

Mr. Mackenzie: You're just a rubber stamp.

Hon. Mr. Grossman: There is a fair degree of acceptance of our proposals by FIRA. However, to presume that all of our recommendations are accepted or that 90 per cent of all the cases reflect what Ontario has recommended, I think would be inaccurate. So that the member doesn't think I have ducked out from under the general thrust of his question, let me say, generally speaking, the recommendations of this province are followed by FIRA.

Mr. Renwick: That is a most unfortunate admission.

Mr. Laughren: The minister is learning well from the Premier.

What I really asked the minister was whether he would table the criteria on which the recommendations to FIRA are made. Presumably, the minister is also aware that the mayor of Windsor and the Windsor-Essex County Development Commission are very concerned about the takeover of the Ambassador Bridge by a Detroit trucking tycoon and that this application is coming before FIRA. Would the minister tell us what

his recommendation is to FIRA on the Canadian half of the Ambassador Bridge acquisition, which is after all a very vital link between Windsor and Detroit?

Hon. Mr. Grossman: As my friend knows very well, our recommendations to the federal government, because of the terms of the act under which FIRA operates, are a matter of confidential communication between us and the federal government.

Mr. Warner: What a sham!

Mr. Bounsall: Supplementary, Mr. Speaker, on this point: Does the minister share the concern of the people of Windsor, in particular the Windsor-Essex County Development Commission, that the bridge "should be operated in the public interest of Canada and Canadians"? I quote from a telegram sent to the minister: "The proposed owners, by virtue of their substantial trucking interest and nonresident ownership, might be construed to be a special-interest group which may not operate the bridge in the public interest of Canada and Canadians."

Does the minister not share our belief and the belief of everyone in the area that no such vital international bridge should, in one sense, cease to be international, nor should it be privately owned and in particular owned by an American businessman?

Mr. Warner: They've given away everything else. They might as well give away the bridges.

Hon. Mr. Davis: We haven't given you away yet.

Hon. Miss Stephenson: Which is too bad.

An hon. member: You couldn't get anyone to take him.

Mr. Warner: The price is too high.

Hon. Mr. Davis: Two cans of Carnation milk.

Hon. Mr. Grossman: When FIRA consults us for our advice, the specific question put to us is whether the proposed change in ownership is compatible with provincial goals and interests. Needless to say, having received this information, we will be reviewing the submission to us.

Mr. Mackenzie: And you will approve it like 95 per cent of the others.

Hon. Mr. Grossman: I can only repeat what I said earlier. We will ensure that our recommendation reflects our mandate, which is to comment upon the compatibility of that application with our own goals and interests. I can only say that the whole mechanism, devised by the federal government for working this out with the province, puts me under

the requirement that I cannot take the easy route, which would be to tell the member in this case and all others what our particular recommendation might be.

The federal government in its judgement has decided that in order to allow effective provincial input into these decisions it must be handled on a confidential basis. I don't have the luxury under the federal legislation to answer the member's question. It's that simple.

Mr. Warner: What a disaster!

Mr. Mackenzie: Ontario for sale.

HOSPITAL BED ALLOCATIONS

Mr. Laughren: My next question is of the Minister of Northern Affairs and it concerns the hospital cutbacks. Does the minister understand the effect of the Minister of Health's (Mr. Timbrell) dictum that only 4.5 beds per thousand will be funded in the current year? Is he aware of the fact that this amounts to an increase of only 3.6 per cent overall for northern hospitals, which will entail the loss of 11 per cent of the hospital beds in the north, and that 453 beds will have to be cut in order to get down to 4.5 beds per thousand in northern Ontario?

Given the fact as well that there are precisely 48 vacancies for physicians in northern Ontario, could the minister explain how such a massive cutback in hospital services will encourage anyone to locate in northern Ontario?

Hon. Mr. Bernier: Mr. Speaker, as you and the honourable member are aware, health services in the northern part of this province are a very high priority with my ministry.

Mr. McClellan: Not with the Minister of Health though.

Mr. Warner: There's no proof of that.

Hon. Mr. Bernier: Yes. Since being established, we've moved in co-operation with the Ministry of Health in setting up a bursary program to encourage doctors and dentists to move into northern Ontario. Just recently, we increased that bursary program from \$3,000 to \$5,000 a year for the last two years of their studies. We've also assisted the Ministry of Health in establishing mobile dental clinics in northern Ontario to satisfy a very urgent need.

Mr. McClellan: Yet there are 48 vacancies.

Mr. Warner: Deny they're cut back.

Hon. Mr. Bernier: In addition to that, we've assisted the Ministry of Health in providing funds—

Mr. Speaker: Will you cease all the cross-conversations? We can't hear the minister.

Hon. Mr. Bernier: —so that the mobile hearing clinic, which is known to many of us who live in northern Ontario, can exist and move around throughout northern Ontario.

With regard to the hospital situation, I can assure the honourable member I've been in constant contact with my colleague on this situation. I would say to him the situation is not general across the north. There are areas where the restraint program has not had the effect it has had in other areas. It's very spotty.

Mr. Warner: They're called cutbacks.

Hon. Mr. Bernier: It's concerning those areas that we are in discussion with the Ministry of Health. We are looking at the situation as critically as we can. I am hopeful we can come up with some solutions.

[10:45]

Mr. Laughren: Mr. Speaker, I don't know whether that means he regards the Minister of Health as being flexible in this regard or not. Is he aware of a statement made by Dr. Arthur Malcolm of Geraldton in which he stated that there is already one doctor preparing to leave for Texas and two others in the Geraldton District Hospital who have indicated that they, too, will leave if the proposed 20-bed cutback in the 45-bed service is implemented over the next three years?

He talked about the service and the problem being spotty, but is he aware that in order to reach the arbitrary level of 4.5 beds, the Chapleau General Hospital, which happens to be in Nickel Belt, will have to cut nine out of 26 beds, a 35 per cent decrease; St. Joe's in Little Current, 16 out of 42 beds, a 38 per cent decrease; St. Joe's in Parry Sound, 10 out of 16 beds, a 63 per cent decrease; Mattawa, 15 out of 31 beds, a 49 per cent decrease; Hornepayne, seven out of 13 beds, a 53 per cent loss; Manitouwadge, 15 out of 28 for a 54 per cent loss, and Geraldton as I have already stated?

Mr. Rotenberg: What's the question?

Mr. Laughren: In view of these massive cutbacks in these small rural hospitals which do, after all, provide very essential services to the large areas that surround those communities, as well as the communities themselves, will the minister not undertake to assure the people in northern Ontario that that arbitrary formula by the Minister of Health will be revised for the sake of northern Ontario?

Hon. Mr. Bernier: I'm very much aware of the situation to which the member refers.

Mr. Warner: And the minister does nothing.

Hon. Mr. Bernier: Again, I point out to him that in certain areas, certainly, there are problems and my ministry is very much aware of them. We are working very closely with the Ministry of Health and the whole question of those problem areas is under review at this time.

Mr. Warner: The minister is a natural disaster.

Mr. T. P. Reid: A supplementary: What input, if any, did the Minister of Northern Affairs have with the Minister of Health in this regard? Can he give us an assurance that the secondary and primary care of the people in northern Ontario will not be affected by these cutbacks?

Hon. Mr. Bernier: Mr. Speaker, I think it is evident that the thrust by my ministry in northern Ontario as it relates to health services is very evident indeed. We will certainly continue to make sure that the unique and very special problems that exist in northern Ontario are addressed by the Minister of Health. They will be.

Mr. Wildman: Is the minister aware that his colleague the Minister of Health made a commitment to hospitals with fewer than 50 beds that they would have a minimum increase of 5.3 per cent in their budgets this year and that he has reneged on that commitment in hospital after hospital across the north? Why is he not treating these hospitals as hospitals, so that they can serve a wider area than just the very small community they have? Why can't he make his colleague live up to his commitments?

Hon. Mr. Bernier: Mr. Speaker, I'm not aware of that. That question should properly be addressed to the Minister of Health.

IPPERWASH PROVINCIAL PARK

Mr. Gaunt: I have a question of the Minister of Natural Resources. After 41 years, why is there not a master plan for the Ipperwash Provincial Park to guide its development and operation? Why was exemption MNR8 issued under exemption orders under the Environmental Assessment Act for upgrading facilities, when in actual fact it was used to build a road, a clear violation of the exemption order?

Hon. Mr. Auld: Mr. Speaker, I don't have first-hand knowledge of that but I will find out about it and give the answer to the member as soon as I can.

Mr. Gaunt: A supplementary: Can the minister explain why it is that in spite of the recommendation in the 1975 Donaldson report on Ipperwash Provincial Park not to

permit development on the Ipperwash park meadow, a new access road was built that has ruined the unique meadow, which contains rare plants otherwise unknown in Ontario and now considered to be endangered species, especially since the park staff were apparently fully informed of the significance of the plant species affected?

Mr. Peterson: It was poison ivy.

Hon. Mr. Auld: I will find out about that, too, Mr. Speaker.

FLOOD DAMAGE

Mr. Wildman: Mr. Speaker, I have a question for the Minister of Northern Affairs with regard to the very serious flooding situation in the Goulais River valley in Algoma over the last few days. Could the minister give assurance to the House that his ministry, in conjunction with other ministries of the government, will give assistance to the victims of the flooding from Searchmont through Goulais River to Lake Superior, which is the worst flooding in that area in memory?

Hon. Mr. Bernier: Mr. Speaker, the Ministry of Natural Resources is the lead ministry when it comes to the question of fires and floods. My ministry has been monitoring the situation on an hourly basis. Before coming to the Legislature I learned the water level at Searchmont had dropped 18 inches overnight. The Minister of Natural Resources might have some more information in answer to the question the member asked.

Mr. Wildman: Mr. Speaker, may I redirect? I understand the flooding is dropping in Searchmont but it's rising in Goulais River now.

Hon. Mr. Auld: Mr. Speaker, the information I have from yesterday—just to give a little history—is that Natural Resources staff were there as were the Ontario Provincial Police. There were six houses outside of Searchmont flooded and there were about 30 people affected. Those 30 people have been moved to Sault Ste. Marie. We thought there might be further evacuations necessary yesterday, but that apparently hasn't been the case.

It wasn't possible, I am informed, to contain the flood with sandbags or that kind of thing. As the Minister of Northern Affairs said, the flood is receding and at the moment our own staff and the OPP are keeping a watching brief and we do have a helicopter at the site.

Mr. Wildman: Supplementary: Is the minister not aware the flood crest has moved

down river from Searchmont to the community of Goulais River and overnight the OPP and his ministry advised people in the community of Goulais River—on both sides of the river—to move to higher ground, to vacate their homes? If that is the case, can he assure us there will be assistance for these flood victims if such an evacuation remains necessary? Finally, can his ministry give us some commitment that agreements will be made with the federal government for the flood-plain mapping in the area and the engineering studies necessary to be carried out for a long-term flood control and erosion control program on the Goulais River, since I have been in contact with his ministry and the Ministry of Northern Affairs for the last two years on this problem?

Hon. Mr. Auld: As far as the reference to downstream is concerned, I'm sorry I missed mentioning that from the notes I have here. We will be looking into this to see whether there is some way to prevent this in the future. I don't have enough information at the moment to really comment further than that.

Mr. Nixon: Supplementary: Can the minister give a brief report on the flooding in Field and Nipissing, and it seems to me there are three or four other northern municipalities troubled this way? Can he assure the House there is going to be a better system for assisting those communities than the dollar-for-dollar routine that has been the basic formula for southern Ontario municipalities? The minister no doubt recalls that in, I believe, the New Liskeard and Sudbury—

Mr. Havrot: Cobalt.

Mr. Nixon: —natural disasters, the communities were supported well beyond the dollar-for-dollar base.

Hon. Mr. Auld: As far as Field is concerned, and talking about the floods, the municipal people themselves have been looking after most of the work there. Again, we are on site. We have been requested to provide and we have provided some fire pumps to the Abitibi plant there to ensure they won't have problems in their powerhouse.

We haven't been called for assistance by the municipality, but as I said, we are there. We have boats and equipment ready if they are needed. I'm informed that about 25 families have left Field for the time being. As far as additional assistance is concerned, I think that question should go to the Minister of Intergovernmental Affairs (Mr. Wells) who operates the disaster relief program.

PROVINCIAL SCHOOLS DISPUTE

Hon. Mr. McCague: The member for Windsor-Sandwich asked a question last week which I think should more properly be directed to the Minister of Education (Miss Stephenson) and you might allow him to do that in a few moments, Mr. Speaker.

GRIEVANCE ARBITRATION

Hon. Mr. McCague: The member for Grey (Mr. McKessock) asked a question in the House on April 12 concerning the Crown Employees Grievance Settlement Board. The board is made up of a chairman, one or more vice-chairmen and an equal number of members representing the employees and the employers. Appointments are made for a two-year term by the Lieutenant Governor in council after requesting and considering the views of each bargaining agent. In my view we have been fortunate in securing the services of highly qualified people for this very important task.

While the member may personally disagree with the decisions of the board from time to time, I would remind him the key to the effectiveness of the board is that it operates as an independent tribunal without outside interference.

FLOOD DAMAGE

Mr. Watson: I have a question of the Minister of Transportation and Communications, which is not unrelated to that last series of questions regarding flooding. In Dover township they are in the process of getting things repaired. I know there was a delegation from Dover township to see the minister yesterday regarding supplementary funding. Could he advise the House as to whether or not he is going to consider supplementary funding for the rebuilding of roads washed out during the floods in Dover township?

Hon. Mr. Snow: I did meet with the reeve and the engineer and a delegation of councillors from Dover, along with my colleague. They gave me a report on the added expenditures they anticipate this year because of the floods and the washouts of the road. They also anticipate major expenditures in drainage cleanouts because of the silts.

We have not finally established the distribution of funds under the municipal road program for the supplementary allocations, but I can assure the honourable member that there will be some assistance for Dover township over and above the normal allocations. I will try to meet the provincial share of the work that has to be done this year

to get those roads back in reasonable condition.

REVIEW OF BILL 100

Mr. Conway: My question is to the Minister of Education. In view of the fact that last year Renfrew county experienced one of the most protracted secondary school disputes in this province, and in view of the fact that shortly after that the Minister of Education, in a letter to me, indicated that her ministry would be initiating an internal review of Bill 100—and in the course of that letter she indicated that when ready to proceed with that review those groups which are to be directly involved will be notified—can she indicate to this House at this time the exact nature and mandate of that review which was promised at least four months ago?

Hon. Miss Stephenson: The internal review is proceeding. It is not entirely completed as yet. When the information developed as a result of that review is available to me, then we must make the decision about the way in which we proceed from that stage forward. If we have to proceed from that stage forward, it seems to me appropriate that all of those with direct concern about the function and the role of Bill 100 should be involved in the consultation and discussion about it.

Mr. Conway: Supplementary: Can the minister itemize for this House those groups which are to be directly involved, since surely some groups have been notified of this review? In particular, can she indicate what aspects of this major legislation are being reviewed, and can she indicate when we in this House can expect to hear back from her when the review is to be completed and if, indeed, there are to be legislative amendments presented to members in this House in the not too distant future?

Hon. Miss Stephenson: It would seem to me to be entirely logical to examine the effect of Bill 100 in the light of the experience since its introduction. That is precisely what the internal review is attempting to do right at the moment; to look at the record of relationships between boards and federations of teachers before Bill 100 and after Bill 100 and to try to make a reasonable analysis of the effect of the legislation.

[11:00]

If the legislation appears to have been reasonably effective, then the degree of review will be necessarily limited. If there are major problems pointed up by the review of the experience, it would seem to me a review

of the total piece of legislation is necessary. At this point in time, it is impossible to tell the honourable member exactly what the scope of the final review will be and therefore, to predict the length of time it will take.

Mr. Bounsall: Has the review committee already recommended that principals and vice principals be fully covered and active participants in the bargaining unit?

Hon. Miss Stephenson: I have just finished saying the internal review is related specifically to the experience which has occurred as a result of the introduction of Bill 100. It is an analytic process covering all aspects of the review.

Mr. Lawlor: Who does it involve?

Hon. Miss Stephenson: At this point in time? It is an internal body. It is being done within the ministry with the assistance, the expert advice and information available from the Education Relations Commission.

CONFLICT OF INTEREST

Mr. R. F. Johnston: My question is for the Minister of Intergovernmental Affairs. The recent Ontario Supreme Court ruling was that conflicts of interest exist in very broad terms when a school board trustee is co-domiciled with an employee of the board. Because this disqualifies an estimated 200 school board trustees around the province from voting on a wide range of issues, producing the prospects of mass resignations, court cases, or by-elections and a general disruption of the public school administration, does the minister intend to take immediate legislative action to remedy or at least to preclude these unfortunate prospects?

Hon. Mr. Wells: I'll answer the question this way: First of all, I think there has been a review of the conflict of interest legislation. There are always numerous concerns raised by various municipalities and school boards about the general operation of the legislation and a committee has already made a report. There have been discussions going on with the provincial-municipal liaison committee. Of course, all these things will be looked at and new things that come along will be looked at, but I must say I have dealt with this problem in my former ministry, Education.

I must say I agree with the judge's decision. I do not think there is a problem. I think this is the very kind of thing the conflict of interest legislation was intended to get at and it doesn't preclude these trustees or any others, from sitting on a school board. All it says is that they declare an interest and don't take part in certain matters which have

a direct pecuniary effect on their family. I think that's right.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: It's unfortunate this includes sitting on committees, as I understand it in the initial ruling, and not just voting on matters. I am wondering if the recommendations brought forward might include an exception to do with bargaining units, in that it seems to me in the present act exceptions exist to protect board members who have relatives who are on boards of directors of corporations. It is a collective entity I might say, that deals with the board. I would hope for an amendment. My question is: Would the minister consider bringing an amendment forward to us that would give similar protection to board members with relatives who are members of bargaining units, collective entities and not individuals?

Mr. Ashe: Greatest conflict of them all.

Mr. R. F. Johnston: What's the difference.

Hon. Mr. Wells: I'm not sure I follow exactly what my friend is stating, but I must say the public press concentrates on this kind of a conflict. If the member checks the records of school boards, he'll find many trustees declaring a conflict and not voting on various purchase items and so forth because they feel they are in some way connected through some relationship with the company from which that product is being bought. I think that that's right and good. Sometimes it goes to extremes that perhaps seem a little odd to people, but in order that the law be seen to be observed and observed well, I think that's necessary.

I really feel in this particular case the conflict of interest legislation was very specific. If one has a spouse, particularly, who could benefit from the actions of the bargaining committee, one shouldn't take part in that committee and should declare a conflict. I think that's a very simple thing and it is accepted by most people.

ASSISTANCE TO SMALL BUSINESS

Mr. McCaffrey: I have a question for the Minister of Industry and Tourism arising out of his statement made to the Legislature yesterday on the Ontario development corporation's assistance to small business. As has been the pattern, the minister provided the opposition critics with his statement, and as a courtesy provided his back-bench colleagues with the same statement; I thank him for that.

Throughout the statement reference is made to an increased emphasis in getting the traditional lending institutions to assist

in loans to small business. Could I ask the minister a two-part question: To date, what is the procedure in his ministry to see that the traditional lending institutions do play their part in assisting Ontario's small business; and what will the increased emphasis entail?

Hon. Mr. Grossman: Traditionally we have not played an aggressive role in seeking out, for example, private money by way of guarantees for our traditional ODC clients. This is for the very good reason that it had been the policy there should be a cap on the amount of guarantees—that is the contingent liabilities—that should appear in the Treasurer's consolidated revenue statement.

That has changed in that the cap has now been removed. This will allow us to play an aggressive role in terms of speaking to our traditional clients and trying to ascertain from them precisely why they are having difficulty getting assistance from the private lending institutions. We then take them to the institutions, meet with the institutions and put together a package including government support if necessary in terms of guarantees, interest subsidies, whatever.

Such help is necessary to lever out of the private institutions approval that hasn't been forthcoming so far. This has involved us meeting with the banks, the trust companies and so on to get their co-operation in working with us—to get, quite frankly, more of a willingness from them to make some of the loans which traditionally they have not made. What we have ascertained out of all this is that bank managers in many of the smaller municipalities in this province often are hesitant to get into some of these things. It firstly relates to the way head office treats their profit and loss statement in terms of bank managers and their loss ratio.

In an attempt to overcome this, we have also looked at the reasons for the banks having a policy of being very conservative. I have made it quite clear I think it is overly conservative in too many circumstances. I don't think it's enough to approach the banks to get a commitment from them to agree not to be quite so conservative in their lending practice. Rather we have approached them and tried to identify the particular reasons. For example, where we find a loan is refused because there's not enough equity put in by the applicant, then perhaps the ODCs will now consider an upfront grant to increase the equity portion of the loan.

Secondly, one of the reasons banks refuse the loan is that they feel the cost of carrying the loan they might be prepared to give is too high. If this is the case, ODC might consider an interest subsidy to subsidize a loan

at prime plus one or two or three, by as much as four or five points to make the carrying costs more reasonable.

So, to sum it all up, what we are trying to do is to develop the capability to provide the financial assistance necessary to overcome the reluctance of the bank, identify precisely the reasons why—

Mr. Speaker: I think the honourable minister has summed it up very well.

Hon. Mr. Grossman: One moment—why the borrower is unable to get that private money and then solve that problem.

Mr. Laughren: Supplementary, Mr. Speaker: in view of the fact we now have the ODCs, we now have the small business development corporations or will have, and we also have the Employment Development Fund, plus federal agencies, all interested in providing assistance to the small business community, has the minister any kind of mechanism for co-ordinating assistance to the small business community when they apply for assistance through one of those agencies?

Hon. Mr. Grossman: Yes. Some of the people who have traditionally gone to the Federal Business Development Bank for example, are people who could just as easily have come to the Ontario Development Corporation. Likewise, we feel the ODC has been doing some business that perhaps could easily have gone to the FBDB. We are trying to shift our programs to operate only in those areas where there are not equivalent and satisfactory programs already in place by the federal government.

The honourable member will recall that, in terms of the Employment Development Fund money and in terms of the statement I made yesterday, we made very clear in both cases that our attempt was to avoid overlap and duplication. Our field officers are being brought in so that we can review the whole process with them and change our ways of operating in the field to sort that out.

DISPOSAL OF HAZARDOUS WASTES

Mr. T. P. Reid: Mr. Speaker, a question to the Minister of Natural Resources: Has he received a telegram from some concerned citizens in Atikokan in regard to the proposed test drilling by Atomic Energy of Canada Limited, has he responded to that telegram and, if so, what has he responded?

Hon. Mr. Auld: Mr. Speaker, actually I think it was a letter, along with a petition, I received yesterday, and I have not yet responded to it. I have also received a Telex from the reeve, Mr. Pierce, in connection with

this petition, and a Telex from Mr. Frech of the Atomic Energy of Canada Limited White-shell establishment. I have also not yet responded to either of those.

It would appear that this petition was circulated, stating approximately that "the undersigned request full public hearings on all aspects of nuclear waste management, including test drilling, and that a plebiscite be held before test drilling begins, and that the undersigned request the council of the township of Atikokan to reconsider its decision of March 6, to permit Atomic Energy of Canada to carry out test drilling in the Atikokan area."

The Telex from Mr. Frech indicates that on Tuesday, April 24, the Atikokan township council held its regular meeting. A group of 40 people appeared as a delegation with that petition. Two motions were considered by the council. The first one was that the council reconsider its decision of March 6, 1979, and withdraw its permission from AECL to conduct test drilling in the Atikokan area; that was defeated by the council. The second one was that the council request the governments of Canada and Ontario to undertake public hearings on the whole question of nuclear waste management, including test drilling, and that a plebiscite be held before test drilling begins; that, too, was defeated by the council. Which is in effect what Reeve Pierce's Telex also said.

As I think the honourable members of the House are aware, a public meeting was held by the AECL staff on March 6 in Atikokan, and I am told that approximately 40 people attended. There was some question as to how well this had been publicized, but I understand it was publicized on cable television in Atikokan for four or five days preceding the meeting and in the Thunder Bay paper, which has daily circulation in Atikokan.

As far as my own position is concerned, we have had a request now from AECL to undertake test drilling. We have circulated this request to a number of other provincial ministries for their comments. I have not received them all back yet; when I do, then I will have to make some decision.

It is interesting—and, with your permission, Mr. Speaker, I thought I might mention this, although it is not in direct answer to the honourable member's question—that there have been a number of open discussions in Atikokan, starting back on May 29, 1978, discussing the whole program. Last July the council there passed a resolution directing the reeve to write to the Honourable Mr. Gillespie, the federal Minister of Energy, Mines and Resources, asking that he direct

AECL to undertake test drilling. That was done. I noticed that—

[11:15]

Mr. Speaker: The question was, has the minister received those communications and has he answered?

Hon. Mr. Auld: I have. I just want to say that the reeve was returned unopposed in the last election.

Mr. T. P. Reid: Mr. Speaker, with great foolishness I ask a supplementary: Because there seems to be some question about the availability of information to the public for whatever reasons, rightly or wrongly, and since AECL seems to be prepared to go back and have an open, public hearing on the test drilling, and perhaps to more fully explain; and because of the events of Harrisburg which obviously have caused concern in places other than Atikokan but particularly there, would the minister be prepared to make a request to AECL and the Atikokan council that in fact another open meeting in a suitable spot in Atikokan be held to once again go through the program and explain what they are doing, for the benefit of the citizens of Atikokan?

Hon. Mr. Auld: I would not be surprised if that is what AECL proposed to do. I propose to look into that very action. If I can say, on a slightly lighter note on what is an important matter, it will be great for the tourist business in Atikokan, there will be people there from all over.

Mr. Foulds: Supplementary: Does the minister not agree that he is faced with a dilemma as AECL and the federal-Ontario agreement stipulate quite clearly that AECL will not proceed with any part of its waste management program unless there is community approval, and even if the council has approved, when there are 1,700 residents of an area objecting as strongly as these that does not indicate total community approval?

Hon. Mr. Auld: Mr. Speaker, I do agree that there is a dilemma. Certainly it is true that the feds will not proceed without provincial approval.

AIR POLLUTION

Mr. M. N. Davison: Mr. Speaker, I have a question of the Minister of the Environment resulting from the unacceptably high air pollution index in Hamilton over the last week. Can the minister explain to me the basis on which his officials have expressed publicly their confidence that local polluters are complying with the voluntary cutback provision after the index reaches 32, when in fact the

ministry does not monitor voluntary cutbacks in the city of Hamilton?

Hon. Mr. Parrott: That is very difficult for me to do this morning without consulting with the officials. I should be able to do so over the weekend and get a more definite answer for the member on Monday.

Mr. M. N. Davison: While the minister is doing that, I wonder if he would consider the advisability of monitoring the voluntary cutbacks and releasing to the public the facts that are gained during the voluntary cutback periods, so that my constituents and other residents of Hamilton would be able to know which polluters are complying with the voluntary cutbacks and which polluters are continuing with an unabated program of degradation of the environment on those days?

Hon. Mr. Parrott: I think it is reasonable to ask that we have some understanding of whether the voluntary program is working. I would agree with the member that we should have that information. I think it is reasonable to expect that might be done; that rather than making a check with every industry on every occasion, we do some sampling. If the honourable member will accept that as a valid approach we are prepared to do that.

CHILDREN'S MENTAL HEALTH CENTRES

Mr. Sweeney: A question of the Minister of Education, Mr. Speaker: Is the minister aware that the educational program at 29 children's mental health centres in the province, operated in conjunction with over 60 school boards, is endangered because of considerations by her ministry officials to eliminate funding for transportation to those centres?

Hon. Miss Stephenson: Mr. Speaker, I am aware some concern has been expressed but I am not aware the extent of the concern is quite as dramatic as the honourable member has suggested.

Mr. Sweeney: Supplementary: Is the minister aware of the fact that both the school boards and the mental health centres have been in touch with her ministry officials and have been put off and put off and are now told it might be another couple of months before a decision is made, and they can't plan?

Hon. Miss Stephenson: Mr. Speaker, I am aware there has been contact, but I don't believe it's going to take that long for the situation to be resolved.

Mr. Sweeney: What is the basis for that kind of a decision? Why would the minister even think of doing that?

Hon. Miss Stephenson: Mr. Speaker, it seemed to me the revisions in the area of funding of transportation for school boards were a move in the direction of greater equitability. Specific problems have arisen as a result of that move to provide greater equitability.

Mr. McClellan: Bafflegab, bafflegab. What a lot of rubbish. Can you answer any question straight?

Hon. Miss Stephenson: In attempting to resolve those problems, I think we have to make sure we don't destroy the equitability status—

Mr. Laughren: You don't even understand the restraint program.

Hon. Miss Stephenson: —while attempting to ensure there is no impediment to the appropriate transportation of young people in those centres.

BUILDING MATERIAL PRICES

Mr. Swart: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. I see him just coming back in.

Since my question a week ago today to the Minister of Housing (Mr. Bennett), has the minister had a chance to examine the six-month increase of 38 per cent in the price of copper tubing in Canada? Would he explain why \$1 buys 1.3 inches of copper tubing in Ontario, compared to 21.5 inches in the United States?

Why is tubing so much more expensive here than in the United States when we produce our own copper and our own tubing? Has he brought this to the attention of the national commission on inflation or asked the Minister of Consumer and Corporate Affairs to look into it?

Hon. Mr. Grossman: It is metric.

Mr. Swart: Has the minister himself taken any action in this matter?

Hon. Miss Stephenson: I would keep those tubes if I were you. You will be able to replace your aorta with them.

Hon. Mr. Drea: It's late on Friday. I'll take it as notice.

I do wish to draw the attention of the honourable member to a remark he made about me on Tuesday last. I'm sure he didn't mean it but he accused me of stealing coffee he had sent over to me.

Mr. Swart: No, I said the previous minister.

Hon. Mr. Drea: No, you didn't.

Mr. Swart: Check Hansard.

Hon. Mr. Drea: Mr. Speaker, I give him the benefit of the doubt. It was not to me he said it.

Mr. Swart: Mr. Speaker, I said the previous minister.

Mr. Speaker: As I recall, he said you failed to return it.

Hon. Mr. Drea: That's right. I never received it, Mr. Speaker. I'd like an apology.

Mr. Swart: Supplementary, Mr. Speaker: Will the minister carefully check the documents I sent over to him? Will he notice that the prices I have mentioned—the differential in prices—are taken in Canada from Allpriser, the trade publication on copper tubing, and from the same thing in the United States?

Is he aware the profits of Anaconda have increased by something like 80 per cent to 90 per cent in the last year? Can't he see the apologizing he has been doing for the various increases in prices in covering up the profiteering at the expense of the consumer and that it simply encourages more ripoffs? I'll send them over to him.

Hon. Mr. Drea: Mr. Speaker, I don't really know what the member is talking about. I haven't covered up or apologized. I will take the question as notice. I will get the answers back to the honourable member.

Does he want to count the pages to make sure that when I give them back to him, it's me giving them back to him?

One final remark: I will go on record that I think it is fundamental in this province there be a lot more profits in the copper industry. When there are, hopefully it might produce a settlement at International Nickel.

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Ramsay: Mr. Speaker, I wish to thank you for this opportunity to briefly summarize a few of my personal reactions to the honourable Treasurer's (Mr. F. S. Miller) first budget. I particularly asked to have this opportunity because I wanted my thoughts and opinions on the record as to the need to work towards a balanced budget for the financial affairs of the government of this province.

Before I was elected, or even had the remotest thoughts of ever being a candidate, I heartily endorsed the stated objectives of the then Treasurer of this province to bring in a balanced budget. When the timetable for doing so was extended, I was more than a little disappointed, although I tried to understand and appreciate the reasons for such a move. I had an uneasy feeling the Treasurer, in his first budget, might announce an even further delay in obtaining such an important objective. To my considerable relief and delight he reaffirmed the goal of a balanced budget and indicated the steps he plans to take to reach this goal.

As a fledgling member, and one who comes from the business community, I am very concerned when I think of the high interest payments being expended daily, funds that could much better be used for important and necessary services related to social development. I am also exasperated when I think of the financial state of the federal government and their apparent lack of concern for financial stability and responsibility. While this province is in excellent financial condition compared with most other provinces, and certainly compared with the federal government, I don't think that's good enough.

Curtailement of government spending in a period of financial constraints is not a popular move politically. If services cannot be expanded civil servants are not replaced and progressive legislation is delayed. However, in some cases that may be the price we have to pay for over-indulgence in earlier years. The sooner everyone accepts that fact the better off we'll be.

If financial restraint forces this government and its ministries to re-examine their priorities, then I say that while the exercise may be painful, it can only be described as a healthy one.

The Treasurer's budget was presented under the most difficult conditions. I say without reservation and without partisanship that I feel he's done a masterful job in balancing the problems of the mechanisms of restraint while stimulating the economy and providing the opportunities for job creation and economic development.

In my view, one of the most significant elements of the 1979 budget is the formal presentation of the government's industrial incentive program through the establishment of the Employment Development Fund. As one of the northern representatives to this Legislature, I appreciate the important effect this program will have on the economic well-being of this province.

[11:30]

Three quarters of all manufacturing in northwestern Ontario involves the processing of pulp and paper products. Twenty-five per cent of the labour force in the northeast is involved in this industry, and certainly a significant number of workers in eastern Ontario are employed in pulp and paper mills. Almost 70,000 Ontarians are working directly or indirectly in this fifth largest of all our manufacturing industries. Our third largest exporter and our sixth largest employer is pulp and paper manufacturing.

I'm sure we've all heard these figures before. Insight into the importance of pulp and paper manufacturing cannot be gained through figures alone. One has to understand its importance as measured through this industry's local impact. Such communities as Smooth Rock Falls, Dryden, Sturgeon Falls, Terrace Bay, Red Rock and Kapuskasing are almost entirely dependent on the activities of pulp and paper mills. They are the life blood of these centres.

In this respect, I trust the government and the Reed paper company can resolve the current problems so Dryden will not become a ghost town. These problems involve modernization in concert with environmental controls.

It just isn't our balance of payments that must concern us. We must recognize the need to reduce vulnerability of pulp-and-paper-dependent communities. At the present time, this vulnerability stems in large part from the fact the machinery used in Ontario's pulp and paper mills is antiquated. We are in a period when, because of a depreciated dollar and improved market conditions, some Ontario industry is becoming more competitive. Pulp and paper companies must take advantage of an opportunity to install both more modern and environmentally sound equipment.

However, the industry still operates under higher wood, labour and transportation costs. The investment capital required to modernize Ontario plants cannot be entirely generated by the industry itself. The profits from the industry have been erratic, to say the least, and the past few years have not been good enough to allow consistent reinvestment. Consequently, massive spending is required to restore permanent competitiveness in pulp and paper manufacturing. If the industry were to pass on all its costs of modernization to consumers, the competitive position, of course, would be threatened.

There are extenuating circumstances which warrant the encouragement through government programs of investment in updated pulp and paper manufacturing equipment. How-

ever, these circumstances are not the same for all industries, and I would trust this government has not set a precedent of assisting all businesses and that spending of this sort is vigorously controlled.

While I don't see a program of encouraging industrial investment as a simple hand-out, I do believe certain investments will be effective in creating a large, permanent revenue base for government, as well as long-term jobs for Ontario residents. Given the wrong conditions, however, other investments may not be so effective. Guarantees of economic developments must accompany any projects the government establishes. While endorsing the concept of supporting private enterprise, I urge the government's strictest use of caution in supplying these incentives. I believe the current negotiations with Reed paper company indicate that is being done.

Tourism is also an area of key importance for a government pursuing the goal of a balanced budget. As Canada's largest single employer and sixth largest source of foreign exchange, it deserves the sort of special attention the Progressive Conservative government has given it in our 1979 budget. Tourism is a largely Canadian-owned industry, offering tremendous opportunity for regional development. It has the advantage of being labour as well as capital intensive. In fact, in 1976 tourism generated 35,000 jobs and \$800 million in northern Ontario alone. Provincially, tourism represented 10.8 per cent of our gross provincial product and 11 per cent of total employment.

Despite the revenue and number of jobs generated by tourism in this province, we in Ontario are not taking full advantage of our tourism potential. The federal sector task force on the tourism industry reports a steady erosion of the Canadian tourism industry's competitive position over the past 10 years. That trend has been particularly pronounced since 1974. The problem is that while Canadians are increasing their travel abroad, particularly to the United States, at a rate far exceeding the growth of their domestic travel, Americans are coming to Canada in steadily decreasing numbers.

It is easy to see this tourism pattern has a negative effect on Canada's balance of trade. Stimulation of the tourism industry will bring foreign dollars directly into Ontario, but not at the price of relinquishing ownership of our industry or resources. The federal task force has urged the provinces to pay attention to the tourist industry's special problems and potential. It is just the kind of sensitivity that is reflected in our government's 1979 budget.

One of the greatest problems faced by our hospitality business is the heavy burden of what might be seen as a sort of double taxation, property taxes augmented by a retail sales tax for the use of hotel rooms. This government's initiative in lifting the retail sales tax for transient accommodation has been so successful that it has been extended from December 31, 1979 to March 31, 1981.

In order to compete with facilities south of the border and in other provinces, Ontario hospitality operators must be able to offer comparable comfort and services. I am pleased to see that our government has also addressed the importance of renovation and expansion of facilities through tax exemptions in the purchase of furniture and kitchen equipment. This sort of incentive will, I think, strongly encourage existing entrepreneurs to renovate and attract new investments.

One of the key components of a healthy tourist trade, particularly for areas like northern Ontario, is geographic accessibility. Transportation has improved vastly with the introduction of passing lanes in the north. Thankfully, the days are gone when we had to follow a truck's tail lights all the way from Sault Ste. Marie to Sudbury. Northern roads have improved indeed, and will continue to improve.

The proposed expenditure in the northern roads program for 1979-80 is \$51 million for capital and construction costs. As much as we look forward to continued upgrading and expansion of our transportation network, the money has to come from somewhere. A substantial part of the funding comes from general revenue. However, it seems fair to ask that a large part be generated by more direct taxation, the gasoline tax. The gasoline and motor vehicle fuel tax rates have not risen since 1972, but highway construction costs have. Therefore, an 8.7 per cent increase in gasoline tax strikes me as reasonable. It will earn the province an estimated \$607 million to offset the high costs of both building and maintaining modern highways.

As a representative of a northern Ontario riding, I am quite sure gas taxes have a real effect on my constituents, who must travel greater distances than southern Ontarians. This government, as evidenced by special licensing fees for motor vehicles, has recognized that northerners represent a special case.

Another tax which also strikes close to home is the extension of the seven per cent sales tax to the telecommunications industry. As a member of that industry, I am placed in a position of explaining that tax to our cable subscribers in Sault Ste. Marie. This task was

made less difficult by the fact that I do feel extending the sales tax to telecommunications was inevitable. Cable TV is already taxed in a number of other provinces. The cost to the average cable TV subscriber will be 50 cents a month—less than that in Sault Ste. Marie—and the return to the province will be \$30 million.

I am especially pleased to see that the Ontario succession duties and gift taxes were finally eliminated as a revenue source once and for all. Succession duties, to my mind, have a discriminatory effect against private business as well as investment.

Mr. Grande: Stay on the cable for a little while.

Mr. Ramsay: Farms and family businesses in particular up until now were often forced into awkward situations on the death of senior members. Frequently, property and other capital assets had to be sold in order to meet the duties imposed. This unnecessary disposal of long-term personal investments was quite unreasonable. It would be ridiculous for this government, and indeed this budget, to encourage Ontario residents to invest their capital in this province and to build up their assets if we were to continue levying a tax which greatly increases the risk of business collapse, loss of jobs and possible foreign acquisition of Ontario capital.

I think the government has long known that revenues raised through succession can never be converted to incentive mechanisms as effective as private investment is in creating new employment opportunities. Also, I think this government realizes that a reasonable revenue contribution for the support of government services is obtained through taxes on earned income resulting from private investments. The question, put most simply, is why give up or inhibit a permanent source of our tax revenue for the sake of a short-lived gain in government income?

I am not suggesting that direct incentives to industry or even small business will not greatly enhance Ontario's investment climate. They will, and they are in limited cases necessary. However, favourable changes within our tax structure will accomplish more in reversing the recent increasing trends of Canadians investing their income in foreign countries. Accordingly, I wholeheartedly support the Treasurer's elimination of these two taxes.

Turning briefly to health care, I cannot say I was shocked to see a modest increase in health revenues. The costs of maintaining high quality health care have in the past escalated far more rapidly than premium

revenues. In 1972-73, for instance, premium payments accounted for 32 per cent of total health revenue. Last year, premiums provided only 29 per cent of total revenue, while the remaining 71 per cent of health expenditures came out of general revenue.

In contrast to private insurance, our health premiums cover only a fraction of the full cost of services. However, I still feel that the premium system provides a visible financial link between individuals and the health-care system, even though in many cases premiums are paid by one's employer as part of a fringe benefit package. I think this link should be maintained.

The premium rate increase of \$1 per month for single people and \$2 per family is a logical means to re-establish a realistic premium-contribution to overall health costs. The budget's announced increase will amount to only a 5.3 per cent rise in premium costs, whereas I understand the cost of insured services is estimated to rise by 5.5 per cent.

I know there are those who feel that all health-care costs should be covered by personal income taxes. I do not know how personal income tax financing would affect user attitudes towards health-care services. However, I do feel very strongly that this government should encourage responsible use of all social services, including health. I believe this can be achieved through a premium system which doesn't interfere with health care accessibility by all Ontario residents.

It has been pointed out that personal income tax financing of the health-care system would require a 30 per cent rate increase in the Ontario income tax. A shift such as this would have an enormous impact. Not only would our tax system be disrupted, but the economy generally might well suffer. As the 1979 budget indicates, this is an era when job creation and individual incentives in the area of creating employment are two very important government priorities. Loading up the personal income tax base, as the budget phrases it, would reduce the government's flexibility in using the tax system to meet other policy objectives.

In addition to this and by way of concluding my remarks, I think it's worthwhile pointing out that this year's budget once again has not altered the rate of personal income tax. Canadians and Ontarians are already experiencing difficulties with high taxes because of these inflationary times. Money left in the hands of residents in this province, used wisely and efficiently, will ultimately lead to increases in private enterprise investments.

We currently enjoy the second lowest income tax rate in Canada, that is 44 per cent of the basic federal income tax. I am firmly convinced that if we are to get our national and provincial economies on their feet again successfully, these rates must be held at the lowest level possible.

[11:45]

While this budget may not be characterized by dramatic changes and flamboyant new programs, it does reflect our party's firm commitment to a program of economic stimulation combined with spending restraint. Just as mammoth deficits spell trouble in the private sector, huge government deficits mean higher interest payments and future economic burdens. While government has pared down growth in spending, low revenue growth performance has been experienced over the past couple of years.

Indexing personal income tax, reduced corporate profits and also certain retail sales tax reductions as investment incentives, have contributed to this slow growth. While we must eliminate our deficit, I do understand that we must be careful not to sacrifice our economic competitiveness. A deficit reduction of \$184 million seems to meet this required balance, and therefore may I take this opportunity to extend my congratulations to the Treasurer for his first budget, and express my confidence in his ability to guide this government during a difficult and challenging period in our provincial economy.

Mr. G. I. Miller: Mr. Speaker, it is certainly a pleasure for me to rise on this occasion to discuss the 1979 budget which was presented by the Treasurer. I would like to point out in the beginning that I think our critic, the member for London Centre (Mr. Peterson), covered it very well as far as the overall criticism of the budget was concerned; I think his response expressed the view of our caucus and I would like to congratulate him for that. I think some constructive industrial strategy was presented and I think there were some good alternatives that the government may utilize.

Consequently, I would like to zero in on a few issues that I feel would be beneficial, and express some concerns on behalf of my particular area, Haldimand-Norfolk, which I think can also apply to other areas in Ontario.

I feel very strongly that my riding of Haldimand-Norfolk is in a changing position. We are in a trend that will provide job opportunities perhaps more readily than anywhere else in Ontario at the present

time. We have the industrial park or the Stelco steel mill coming on stream in 1980, we have the Texaco oil refinery producing oil now, and the Hydro generating station at Nanticoke is working at perhaps 75 per cent of its capacity. I think it is a particular area which can stimulate the economy and hopefully can achieve a balanced budget, as the Treasurer (Mr. F. S. Miller) has indicated.

I would just like to read into the record the comments of our critic during the Liberal Party's formal response to the new provincial budget. Our financial critic referred to the government's latest commitment to balance the budget by 1984 as a sham. He pointed out that if the government's own projections are correct and if the current rate of decline in the deficit, 2.2 per cent continues, it will take 43 years before revenues match expenditures.

In addition, this year's forecast doesn't even include an estimate of revenue lost from uptake of the proposed small business development program. In addition, given our justifiable lack of faith in this government's forecast, the question now becomes not when will the budget be balanced but when will the trend for ever larger deficits be reversed. That's my real concern. As I watch our area developing basically from a rural municipality to a combination of industry and rural agriculture, I think it's important that we maintain that.

I think there is an area that can provide many job opportunities. There is a trend at the present time for young people to get back to the farm, because they realize after attending universities and colleges that there is a good future in agriculture. They realize that agricultural products can be utilized in bartering for export trade and I would like to indicate that Haldimand-Norfolk is in a heat-unit area which makes it very flexible. It can produce many crops, from tobacco to carrots, other vegetable crops, cash crops and dairy products. We have a broad spectrum. The former county of Norfolk is noted for its tobacco. I would like to point out that in the budget it was the only area of agriculture that was mentioned, and only then because of the fact that two cents has been added to the tax on a package of cigarettes. I know there is a lot of opposition to smoking, but as I have pointed out many times before, I feel tobacco and smoking have been a tradition for many generations and I don't think we are going to rule them out. I know we should be concerned about our health and should use tobacco in moderation, but I think it is going

to be a crop that will continue to be utilized for many generations to come.

In 1975, \$101 million was collected from the tobacco industry in Ontario; in 1979, \$292 million will be collected from tobacco in the sales tax alone. That is an increase of 300 per cent, and because it is not getting too much opposition from many members on any side of the House the government can increase these taxes. The average working person certainly has to be considered; he has to decide if he wants to continue to use these products, so I think we have to be very careful we are not taxing the tobacco industry out of existence.

I would also like to express some views on job opportunities. There is a need for processing of our crops, both fruits and vegetables. Again last year there were no Ontario strawberries processed in Ontario, not one berry. All the producers worked towards the commercial market, the fresh market, and when the figures for the total consumption of strawberries in Ontario were all in, 18 per cent were Ontario grown. I think we can get a much larger share than that. I know we have to have imports, we can't grow them on a year-round basis, but we certainly could come up with a bigger percentage than 18 per cent.

I would like to point out that there was no indication in the budget, by either the Ministry of Industry and Tourism or the Ministry of Agriculture and Food, that there is going to be any assistance given for projects to encourage the young people to go back to the land, to the farms. Our critic for agriculture, my colleague, the member for Huron-Middlesex (Mr. Riddell), indicated the other day that we are being taken over by foreign money. Our land is being bought up, making it almost impossible for our young people to purchase it, because there is no way they can compete while our dollar is devalued and foreign money is getting more valuable. I think anyone who buys land has to know the relationship between what it will earn and what it will pay for. The Minister of Agriculture and Food (Mr. W. Newman) should be looking at programs to provide an opportunity for our young people to get back to the land. We should, also, have programs to make sure that we are processing our tomatoes, our strawberries, our vegetables; and I think our particular area of Ontario would be a good place to start. We should be encouraging the establishment of small or private enterprise so that we can maintain a basic agricultural industry, along with manufacturing and other industry, to have a better community for our urban and our rural people.

Another area where there is potential is indicated by the fact that Ontario farmers are spending \$240 million a year on farm machinery, but we are producing only about 60 per cent of that machinery in Ontario. These industries use tremendous amounts of steel, and we should be encouraging their support and development; I do not say that we should not import but that we have to encourage the development of our own resources.

I would also like to point out that 40 per cent of all jobs in Canada are oriented towards agriculture and agriculture-related industries. It does have tremendous influence, and I think we should be speaking out in that regard. But, the budget had nothing to say about that; there is no indication at all. I would have to be critical of the Treasurer for that lack in his budget statement.

As far as industrial strategy and job opportunities are concerned, I would like to point out that we have received many applications for jobs, particularly from students who do not have their grade 12 education. After doing some research, I found that 50 per cent of our young people do not complete grade 12. When they go for jobs, they are eliminated from even applying for positions at Stelco, Hydro and Texaco and for almost any government jobs. It must be brought to the attention of the Minister of Education (Miss Stephenson), and it has been, that we should have some special programs.

I would like to point out that we have a strike in the Haldimand County Board of Education at the present time. I am concerned not only for the grade 13 students but for all those students, because with today's lack of job opportunities it is necessary that our young people be given every opportunity so that they will be ready and able to apply for these jobs.

We should be having special retraining programs because, even if they do not have grade 12 education, many of these young students do have special talents and they have special places in our overall program. They should not be considered as being second class, and they should have the same opportunities as other students in our system.

I would also like to mention at this time that only two or three weeks ago we did open a community college in Simcoe, named the James N. Allan Campus of Fanshawe College of London. It is coming up with training programs, and I would like to give credit to the government for that. We had

the opportunity of touring it; they are giving mechanical courses, typing courses and so on. But again they have to work closely with industries and the other colleges—they should not work against but together with other colleges such as Mohawk in Hamilton, and with Stelco and the other industries that are coming in—so that we can retrain our young people to fit into these positions. I know they have the talent and, given the opportunity, they can achieve the skills they are best equipped for.

There are something like 1,350 positions coming up at the new steel plant in the industrial park. Stelco has indicated that 800 of those positions will be given to local people if they can be found. It's hoped that many local people can be retrained to fill these positions. I am certainly going to make the company aware of its commitment and responsibility.

[12:00]

Another concern in my area is the Townsend town site. The Ministry of Housing announced in December that it would proceed. They did have some consultation with the region but not just before the announcement that they were going ahead and that there would be houses in there by 1980. As I said many times, I'm not against the Townsend townsite if there's a need for it and I'm not against a new community being planned in the area. But I am concerned that we do have existing municipalities and we do have existing businesses, which are related to agriculture, providing basic employment from past years and up to the present time. My concern is to protect those jobs and those job opportunities. I think we can live side by side and work together.

I would like to read some comments made in February when Bob MacDonald, the Assistant Deputy Minister of Housing made the announcement to the regional council. "Regional chairman Keith Richardson voiced the main concern of area politicians since start-up details were presented to regional council February 8. 'The only real concern I have outside of the project's details would be the timing,' said Richardson. 'After timing has been resolved, there are many fine details we must go into.'"

That was in February. They would like a decision by this month so they can keep on schedule. I think the chairman expressed the concerns as well as anyone on behalf of all the people of the region of Haldimand-Norfolk. "Mayor George Dmetriuc of the city of Nanticoke said he would like all

available information from the past four or five years presented in a lump package before he makes a final decision." To make a decision of that magnitude, that will affect that part of Ontario for many generations to come, I think it is crucial that they be given enough time to make sure the government isn't using its strength as a lever to develop it, but is working in conjunction with the area so we can all be proud of it in the future.

I would like to point out the comments of Mayor David Peirson of the town of Haldimand. He said: "I don't think this report will say anything other than the fact that the town shouldn't go ahead. Personally, I have no objection to them getting it ready to go, but as far as construction goes I think they're very premature."

The mayor of the township of Delhi, Arn Sayeau, said: "I'm still not happy with it." The mayor of the township of Norfolk, Clarence Abbott, indicated: "If the population changes greatly, that's fine. But another 1,000 to 1,500 people in the region is nothing. We can absorb them and not even know where they went. I'm sure they're not all going to the same place anyway."

Township of Dunnville Mayor Marshall said: "Dunnville alone can take another 5,000 people with the existing water and sewage facilities."

I would like to point out that the region has spent up to \$15 million on improving its facilities. This is provincial money provided by the Ministry of the Environment. They also have put in a water intake at Nanticoke with an expenditure of something like \$20 million. I think that's good planning for developing the Hydro plants.

Mr. Hodgson: How do you get so much money there?

Mr. G. I. Miller: I say it's going to make a return to the province, I'm not criticizing the expenditures.

Mr. Hodgson: Give the province a little bit of credit for developing that area.

Mr. G. I. Miller: I am.

Mr. T. P. Reid: He's one member who always gives credit where credit is due.

Mr. G. I. Miller: That is correct. I will be fair to the member for York North. I won't be critical. I want to see development as much as he does.

Mr. Hodgson: That's what I wanted to hear you say.

Mr. T. P. Reid: Don't be greedy.

Mr. G. I. Miller: After 35 years I think you've heard it quite a few times and I know

you've been patted on the back, but I would like to think the members on this side of the House could run Ontario as well as anyone else, given the opportunity.

Mr. T. P. Reid: Better; we'd have more members in the House anyway.

Mr. Warner: You just came in and some left.

Mr. Acting Speaker: I think it's time for the Speaker to call for order.

Mr. G. I. Miller: Thank you, Mr. Speaker. I feel very strongly, having been born and raised in the area, I want to see that area of Ontario be progressive, be something that we can leave, look back at and be proud.

I think the member for York North has some part to play in the development of the Townsend townsite. I might say that perhaps he is much more knowledgeable than I am, because as a member I have never been kept informed all that much. I've had to pick and find what is going on. As a matter of fact, from the point of putting in water and sewers, I asked for a plan on the area and I still haven't received it. I think this government would like to keep us in the dark as much as possible.

Mr. Hodgson: Why didn't you request it of the parliamentary assistant? He might have got it for you.

Mr. G. I. Miller: Okay, I'll accept that. I won't forget it next time. I'll remember that well.

Mr. T. P. Reid: He said might.

Mr. G. I. Miller: In Simcoe, as the mayor of Dunnville pointed out, they have the potential for 5,000 additional people. They have the water and sewers available. We have the water intake at Nanticoke which, again as I have indicated we spent \$20 million to develop. It is now into the industrial park, it is into Stelco, it's into Texaco, but the lever that they're holding over their heads in the area is the fact that before they'll give water to Jarvis or Hagersville, Townsend has to have their agreement. I don't think that is necessary. I think the region of Haldimand-Norfolk is responsible enough that if we leave it to make the decisions it will make them correctly. I don't think they should be using the carrot approach to get the province to justify the expenditure that the province has made over the past seven or eight years.

The population projection which was in the Conservation News, the Conservation Council of Ontario, April 1979, indicates that the population of Ontario was projected to be 12 million by the year 2000. Now they have re-

versed that and the indication that the population of Ontario by the year 2000 will be something in the area of 10 million.

I would just like to point out that the city of Toronto's population has not increased. As a matter of fact, I think it has decreased. The city of Hamilton is having difficulty with utilizing condominium apartments. I think there are many available. As a matter of fact, I know a condominium that has been built for three years and I don't think there is over a handful of those units utilized now. It's not a small one, it's a big one. As we tour Ontario, indications are that industrial land is not all that needed, the demand is perhaps not there. We had the opportunity of going down to Parry Sound and looking at one of the industrial parks there. It's a beautiful park, and again I would like to give this government credit. They have established it. They have the water and sewers available. It's first class water. It's about 1,000 acres. I think it's a fine move, but in that site there are only four utilizing it. I think they're employing something like 70 people, but one building was started two years ago and it's not completed yet. They're not utilizing it. One housebuilding firm had trouble keeping its head above water; they are just on the borderline.

There was a steel manufacturing business there. It's been operating one year. They're bringing in used equipment. Muskoka Steel is the name of the company. They are making reinforcing rods. That company has gone broke now. They took the equipment out and they moved it down to Cobourg, where apparently it is being run by a successful businessman there. I think the record of the operator in the Parry Sound industrial park wasn't all that great. Apparently, he has now moved on to another area in the manufacturing field.

I'm not being critical of the individual. I'm pointing out that we have to be more careful in how we select these people to get involved in business. We have to make sure they are not just taking advantage of the programs, we have to make sure they are on solid footing.

It just points out one more time the question of whether there is that much need for industrial land in Ontario. Should we be utilizing the facilities we have now? Should we be developing the downtown areas for industry, the areas where the people are? Should we be moving out to the country and taking good agricultural land and utilizing it for industrial purposes.

I say we don't need to. I say it's time to take a look at what we do have. I say it's

time to redevelop our downtown areas in our existing communities. That is where we can stimulate the economy. We shouldn't continue to hand out; it's time to pull back in, consolidate, provide jobs for our young people and provide them with opportunities.

Again, as has been pointed out in this House during the past week, the opposition strongly condemns the government for sponsoring advertising in the British newspapers for skilled workers while there are 319,000 people unemployed in Ontario. Apparently, an ad in the London Sun in March called for experienced tradesmen to work in the General Motors transmission plant in Windsor. Although the ad was paid for by the automotive company—

Mr. Acting Speaker: I recognize the member for Mississauga East with a point of order.

Mr. Gregory: Mr. Speaker, I hesitate to do this, but we have so few members in the House that I don't see a quorum and I find that an insult to the present speaker. I would like to ask you to recognize that.

Mr. Acting Speaker: The Clerk reports there is not a quorum.

Mr. Acting Speaker called for the quorum bells.

On resumption:

[12:15]

Mr. Acting Speaker: The Clerk reports a quorum and I would ask the member for Haldimand-Norfolk to proceed.

Mr. G. I. Miller: I would like to thank the chief whip of the government side of the House for bringing to the attention of the Speaker that there wasn't a quorum, and I certainly appreciate the members coming in.

I was in the midst of remarks on the employment program for our youth, criticizing the government for their policy.

The opposition has strongly condemned the government for sponsoring advertisements in the British newspapers for skilled workers while there are 319,000 people unemployed in Ontario. Apparently an ad in the London Sun in March called for experienced tradesmen to work in the General Motors transmission plant in Windsor. Although the ad was paid for by the automotive company, it was placed and sponsored by the Ontario government's selective placement service in London.

When asked why Ontario residents are not being trained to fill such positions, the Minister of Education (Miss Stephenson) replied she was not aware of the advertisement; and while adequate training exists in Ontario, the government can't go out and coerce people into the training program. I know the minister

can't go out and coerce people into the program, neither can members of this House go and coerce the people into the program, but I think they still have to be encouraged and given that clear opportunity and that is all we are asking.

We have to encourage our young people. I think they are willing to accept responsibility. This has come out to me quite clearly in the strike in my riding of Haldimand county, when our young people went so far as to come and ask me to ask the Minister of Education what their rights were, and what they could do to bring the teachers and the board back together so they could get back in the classrooms. I admire those young people for that. They are our future leaders and I think they can be very responsible.

I know the minister is concerned about the strike and I hope she might intervene and get those students back into school as soon as possible.

I was discussing the influence of Townsend area industry in Ontario. I would like to go back to the subject of Townsend site and how I feel it should fit into our area. I know Jarvis is a little municipality of 1,000 people and I know Townsend could well overshadow it, but I would hope we do encourage it to develop along with Townsend so we don't have a new community that is strictly made up of a little mining or a row-housing town.

We want to plan for the future and make sure the homes there will last for generations and the families there will last for generations, because this is really what we are providing. We are providing the grass roots for generations to come. We have the working opportunities, we have the opportunity to plan and make it effective as one of the finest municipalities in North America, perhaps in the world. I don't think we should fluff it by being pressured by this government to proceed when it is at a distinct disadvantage to the rest of the municipalities in the area.

For example, Port Dover, which has tremendous potential, has been a dormant town for many years, but it is geared to go up to 15,000 to 20,000 people. They have their water source right there; they have a good supply. They have the recreation areas. Hagersville is another example of a community with the needed water.

The Ministry of the Environment or the Ministry of Housing has indicated that Townsend, Hagersville and Jarvis won't have the water until Townsend is allowed to proceed. I say it should be in reverse: Hagersville and Jarvis have been in need of water since 1970, or even before that. I think they should have the priority; they should be given the first

opportunity. They wouldn't have to spend that \$60 million to provide the services for the new town site. A fraction of that would put the water into Jarvis and Hagersville and allow them to proceed and to stay alive, because they have the Lions' clubs, the ball-parks, the churches and the schools. There are educational facilities sitting there, particularly in Norfolk county, that are not being utilized; they are cutting back. These are the areas we have to scrutinize and take a close look at, because that's where the waste in spending is. That's where our budget runs amiss. We have to take a more responsible attitude and make sure that we're making the right moves.

Nothing discourages me more than to see an old, falling-down barn, a field with chickory or weeds in it, or a woodlot that's not being worked properly. We have those facilities there, and our young people want to take advantage of them, to utilize them and to make a fair dollar.

We have to work together with the agriculture industry, and the urban development industry, and we can have a great community. That's my goal, and that's why I wanted the opportunity to speak this morning. I know the pressure is on the regional council of Haldimand-Norfolk. I know they want to come up with a decision as quickly as possible. But they shouldn't have to make that decision so quickly; they should be given the time and the opportunity to make the right decision, working with the government and not against it. There has to be teamwork. That's what I feel is so important, and I'm glad to have had the opportunity of bringing this matter before the House this morning.

Another concern of mine that I would like to express is that the payments back to our municipalities have been on the decrease. The municipal governments have been asked to pick up a larger share of the overall costs of education, to use a good example. Education is the biggest spender as far as the tax money is concerned. It was only a few years ago that we were getting 60 per cent of our education costs paid for by the provincial level; now in some instances it's down below 50 per cent.

While I haven't been all that much in favour of the regional government we have had come in, I do see its advantages. It has provided some services, such as planning, that we wouldn't have had otherwise. But it has also increased the costs. If it had really been effective, this provincial government would have been picking up a larger share of the costs, because if there is more responsibility

at the regional level, then there has to be less responsibility at the provincial level. There has to be a place to ship the money back to that area where it can be used more effectively.

As I indicated, education is an area that probably represents 58 per cent of the total tax bill of our region and of many other municipalities. I'm not saying that we don't need the education, and I'm not pointing at the teachers or our system, but I think we have to be aware of its cost. Maybe the funding should come from a different direction. Maybe it should come from the Treasury itself; I know it would put a shift on and there is only so much to work with, but I don't think we should be loading the real estate tax down any heavier than it is because, as we all know, housing is important to our young people, as it is to everyone, and we should encourage that.

We have lots of room to develop and we should allow the competition to persist.

Getting back to the Townsend town site, where we have individuals who have land they want to develop, we also have the government owning land and wanting to put housing on the market. We should encourage those people to get their land and their houses on the market and make them available. Let competition work and then we will have the housing that young people can afford. I have six young people who need housing; two of them already have houses, four do not. I want to see them have the same opportunity I have had for a home of their own, and I think that is possible.

I would also like to mention road subsidies, particularly in the city of Nanticoke. The Minister of Transportation and Communications (Mr. Snow) was in the House a few minutes ago but I see he has left. I received a letter the past few days from the city engineer in Nanticoke in regard to subsidies for bridges and bridge building. He mentioned that this was the first year of the subsidy rate being reduced for bridges and culverts from 80 per cent to 74 per cent and noted that because Nanticoke was designated a city this formula was utilized. It is no more a city than any other area of my riding. It is three separate townships and three different towns and villages—Waterford, Port Dover and Jarvis, plus Selkirk and a couple of other smaller places. Yet this government has seen fit to reduce the 80 per cent subsidy on bridges which everyone else in southern Ontario gets, to 74 per cent.

It is throwing more responsibility at Nanticoke because of regionalization, because it has re-organized. The community

is being penalized for doing that when it should be the other way around, the government should be encouraging the new centre. If the people there are taking on the responsibility they should be given the funding that is saved in other areas to do a better job in that so-called city.

I would like to reiterate that we want to encourage private enterprise to develop houses for our young people. If they don't want to compete, if they have a monopoly on the market, then of course I think we can utilize that Townsend site; but I would hope this government would encourage the private enterprise system to work as effectively as possible so that we can give everyone the same opportunity, whether it's a big developer or a small developer, whether it's the homebuilder who works on an individual basis or whether it's a company. I think they all should be given that opportunity and encouraged, because that's where the so-called free enterprise can be made to work on behalf of us all. I think that's the direction we should go.

I would now like to turn to industry and tourism for one moment. We do have a lot of history in my area. We have 90 miles of lakefront along Lake Erie. This past week I had the opportunity to read the history of Long Point, which has been prepared by Harry Barry. It takes us back to the early 1600s. I think it was 1615 when Champlain went up Lake Erie and discovered Long Point. As you read that book, it's fantastic. It's our heritage; and it happened to be a Frenchman who made the early discoveries. This is the basic tradition for our one Canada, French and English speaking; that's the way Confederation was set up.

There is also a tremendous wildlife population in the area. The wild geese and the wild ducks traditionally travel that area. It's a tremendous fishing area. Last week at Port Rowan they had what was called a marsh hare dinner. I don't know if you have had marsh hare, but I was kidding my secretary and some of the girls downstairs that I would bring a little bit back for them. I think it's really muskrat. They had 1,052 of them cooked and the feed was put on by the Lions' Club of Port Rowan. It was a beautiful dinner. I was a little concerned about what the meat would taste like but it turned out well. We have a great community. I would just like to read to the House a letter I received from the Port Rowan-Long Point Chamber of Commerce, dated March 27, 1979:

[12:30]

"Further to our conversations of the past, I now have consent from most of our business community, and am writing on behalf of the Port Rowan-Long Point Chamber of Commerce to request that this resort be designated as depressed, and perhaps favoured by any assistance government agencies can extend.

"When we first bought our property in this area, the village population sign read 960 [now in the 800s]; there were two LCBO-licensed hotels that also had accommodations, and one non-licensed hotel with rooms and meals catering to the tourists; a motel at the beach, cabins and cottages for rent, and many tourist homes. There were crowded beaches. The provincial parks at one point boasted filling 800 sites on busy weekends and full campsites weekdays during the summer season.

"The hotel on the beach was closed before it burned; the motel on the beach deteriorated and is now closed and for sale. One hotel in Port Rowan burned and was never replaced, the other gradually phased out all of their rooms. There is only one person now in the business of renting cottages and one tourist home.

"The provincial parks have no overflow sites, consequently we now can accommodate less than half the 800 once boasted. Many sites are continuously occupied by senior citizens, who are admitted free, and most of the remaining sites are filled prior to the weekends by local campers, most from within a 50-mile radius, who pull out again Sunday leaving many empty campsites weekdays. There is little or no parking at the beach now, except inside provincial parks, consequently we have miles of empty public beach. Many of our businesses have closed, or are operated entirely by owners, leaving our labour without hope for local employment.

"As you know, the Long Point-Port Rowan area has more natural and historic interest for tourists than almost any other Canadian resort, as well as being located close to many heavily-populated areas. The Lakeshore study, made prior to regional government, makes special note of their suggested future for our area, for example Port Rowan should have motels and accommodation for the travelling visitor.

"The Ministry of Industry and Tourism at every visit advise us we must have accommodation facilities for visitors. In our present state it is very hard to interest investors to develop new seasonal accommodation or even to upgrade existing businesses. Our immediate priorities are for risk capital at a reason-

able rate of interest and repayment, and for improved access to our area.

"For many years we have been promised a scenic route along the north shore of Lake Erie. By combining highway 3 with county, township and regional roads presently in existence we have just such a road. Our immediate requirement is to have the route designated and shown as such on new Ontario road maps, in tourism literature and on signs and road signs strategically placed at or as near as possible to border crossings and enroute from one end of Lake Erie to the other. These are two very important steps and may help us to become a tourist resort again.

"We will appreciate anything you can do to help us attain this status."

It is signed by Harry Stark, Junior, public affairs committee, and Patty Rice, chamber of commerce president. A copy of this was sent to the Ministry of Industry and Tourism at Kitchener and the Ministry of Industry and Tourism here at the Legislature.

I have given members the history of the area, and it is there. We have not only Port Rowan, but also Port Burwell, to start at the far side; and farther up Port Stanley. I know my colleague, the member for Kent-Elgin (Mr. McGuigan), has discussed this scenic route being designated. There is also Port Burwell, Port Rowan, Turkey Point, Fishers Glen, Normandale, Port Ryerse, Port Dover, Nanticoke, Selkirk and Port Maitland. You could go on down through Lowbank, Welland and the whole area.

It is a tremendous area, with tremendous scenery. It is very versatile and different from location to location. I think the farthest point would be within 100 miles of Toronto. We have a route with fantastic scenery and it's an opportunity for urban dwellers to get out into the country, but we are not taking advantage of it.

I would like to criticize the Minister of Industry and Tourism (Mr. Grossman) again. There is nothing wrong with catering to and opening up the north. I think it is great that we are developing that, but we must not forget what we have here too. There has to be sharing and co-operation; that is the name of the game. I want it brought to the minister's attention that we do not have the facilities, but the potential is there and it is up to this ministry to take the leadership in putting all this together. I would hope he would give it his consideration.

One more point I would like to make—and again, my colleague, the member for Brant-Oxford-Norfolk (Mr. Nixon), discussed it in the House briefly the other day in question period—has to do with the present setup of

the disaster relief fund. I would like to point out that the recent storm did considerable damage. On April 6 there was a strong westerly wind which raised the waters of Lake Erie. This also happened back in 1975. The village of Port Maitland was a main centre back in the early part of this century, but today, because it has not been encouraged, and the modes of transportation have changed, it is a little community that has gone downhill rather than going ahead, but the potential is there for development.

Some local old folk—I think it was six in this particular case—were flooded out with the water coming up 10 inches higher than it did in 1975. There has to be some way of giving these people assistance. While there were only six families I think they are as important as the many on the Red River today. I would like to bring to the Speaker's attention the resolution that was brought forth by the city of Nanticoke on April 4, 1979:

"Due to the unexpected financial burdens experienced by many municipalities in Ontario from time to time as a result of violent storms and unexpected and uncontrolled flooding, and recognizing that the municipalities do not have the resources to cope with the frequently extreme costs of repairing such damage, the council of the city of Nanticoke respectfully requests the government of Ontario to forego its current policy of matching dollar for dollar under the Ontario disaster relief fund, and that in its place a disaster relief fund be established from which stricken municipalities may, on their own behalf as well as on behalf of their citizens, after proving their financial needs to the provincial authorities, quickly draw the necessary funds to repair their damages."

I would like to put that on the record for the consideration of the Treasurer or the Minister of Intergovernmental Affairs or whosoever responsibility it may be; it could well be the cabinet. There is a need. Port Burwell suffered damage from that particular storm again this year, as it had back in 1975, and there was damage at such spots as Nanticoke and Port Dover marinas. They are providing a service to the communities and their season is short, so perhaps some consideration should be given for assistance to rebuild these facilities to provide for another recreational season. They do generate money on behalf of the economy of everyone in Ontario.

I think I have covered the issues I wanted to cover this morning.

Our financial critic, the member for London Centre (Mr. Peterson), has made a tremendous contribution and done a great amount of research on the budget for 1979 and I

support his views. I feel that this caucus is trying to show responsibility towards the best interests of everyone in Ontario.

Thank you for the opportunity to express my views this morning.

Mr. Warner: It's quite obvious, from the attendance, that members were not aware I was to speak today, otherwise I'm sure the seats would be filled.

I appreciate the opportunity to vent my frustration about the cutback budget, otherwise known by most members of the assembly as the portrait of failure.

What I would first like to do is outline the major areas I'm concerned about, and which substantiate the failure of this government. Then we'll go through it step by step. I would like members to think in terms of the issues of health care, jobs, our economy, food prices, housing, education, day care, small business; and as we go through consider the failure, the lack of leadership from this government to provide the stability that's needed in each one of those areas.

The most serious at the moment is the health-care field. I think that by this time the litany of problems which have been laid at the doorstep of the government in the last several weeks, primarily by the leader of my party, has indicated to members of the House that our health-care system is under attack—a health-care system which, I need not remind you, Mr. Speaker, was fought for so hardily, quite a few years ago, by the CCF, and later by the NDP government in Saskatchewan. That was the beginning.

From that time we've managed to get the federal government to bring in a national plan, to set up arrangements with individual provinces. Each province, including Ontario, opted into that arrangement. Ontario, like other provinces, receives funds every year from the federal government. It has a mandate, under the BNA Act, to provide health-care services, and up until a short while ago was doing that reasonably well.

All of us know there are many areas in the health-care field which haven't been covered. This was before last year's budget and this year's budget. There were quite a few areas members were concerned about, home-care programs for the elderly and dental-care programs for children, just to name two. Obviously, there are quite a few others—such as medical research that is needed trying to reach a solution on the problems of cancer and other health problems—all of which require funds and all of which require some government involvement. That's why I qualify my statement by saying some "reasonable" success.

In the last while, however, we have witnessed the health-care system as being under attack. I find this very distressing, for several reasons. As a member of the select committee on health-care costs it was made evident to myself and to the other members of that committee of all three parties, that health-care costs in Ontario are not out of line, they're not excessive.

[12:45]

We made a comparison with several jurisdictions around the world. We looked at the health-care system and costs in West Germany, the United States, Great Britain, Sweden, and the other provinces of Canada. We found—I think to the surprise of some members—that health-care costs in Ontario were not excessive when compared with those in other jurisdictions. In fact, when compared with those of the United States, our costs are significantly less.

Further, the committee found—and this was agreed to by the Conservative members as well as by our members and the Liberal members—that the reason our costs are less in Ontario is that we have a public system and not a private one. The major reason health-care costs in the United States are significantly higher is that they run the health-care system as a business, to make a profit; involved in that, of course, are the doctors who are allowed to own hospitals and the kinds of strange relationships which insurance companies can have with the hospitals and the doctors—all of that contributing to excessively high costs in the United States. We have managed to avoid that problem in Ontario since we brought in a public health-care system.

Knowing that the costs are not out of control and that health-care expenditures as a percentage of the budget have increased over the last three years, why on earth would this government embark on cutting back in the hospitals, in the communities and, as the doctors see it, in the remuneration for doctors? Why would a government do that?

It is extremely important for us to view the health-care cutbacks, not in isolation, but with respect to the entire economy. What the government has, quite frankly, is a revenue-raising problem. The government is finding it more difficult to raise revenues, and there's a basic structural reason for that. This government appears to have given up on the major source of income which we have available in our province, our natural resources.

It's absolutely shocking to think that, while we have more natural resources than just

about any other area in North America, we cannot garner sufficient revenue from them. In fact, if we want to look at a dramatic comparison, we can compare the natural resources of Ontario and our revenue with the natural resources of Saskatchewan and their revenue. While that province out west has significantly fewer resources than we do, it raises something like five times the amount of revenue that we do. They have learned several things out there that we have failed to learn here.

First, they have control of their natural resources; they're not owned and operated by a foreign country or by international corporations which fold their tents in the middle of the night and steal off with our money. They are owned and controlled by the people of Saskatchewan, sometimes by the people's representatives, the government, and sometimes in joint venture with private concerns—but those private concerns will be Saskatchewan-grown concerns. The government, through its policies, fosters that.

Second, the government has the good sense to use the natural resources as a base to build secondary industry, and the processing and manufacturing that accompanies that. Do we do that in this province? We wouldn't dream of it. It's just not possible. In fact, we have reached the ludicrous position where in the mining industry we extract the goodies out of the ground but we don't even produce the equipment that is used to extract those goodies. We import the equipment. Do we have the technology to build the machinery here? Of course we do. But we still choose to throw away the contracts to companies and corporations outside our borders.

It's a portrait in failure, obviously. This province has lost control over its economy. That's pure and simple. We've become a warehouse; that's all we are. I guess the most blatant example, certainly which the Speaker is aware of, is Inco. Can you think of anyone more irresponsible than Inco? I can't.

It's a company which comes in here, extracts our natural resource, reaps a huge profit from it and takes that profit and invests it in foreign countries. It doesn't invest it in the Sudbury basin. It doesn't help create new jobs in secondary industry. It doesn't guarantee that Canadian manufacturers will be used for mining equipment. It simply takes its profit and dumps it into Indonesia and Guatemala—totally irresponsible.

To add insult to injury, it makes sure it is located outside the town boundary so that it doesn't have to contribute to the taxes of Sudbury. No one could be more irresponsible as a corporate citizen than Inco.

Mr. Havrot: Nationalize it; take it over.

Mr. Warner: It's a vicious, mean outfit and the member for Timiskaming knows it.

Mr. Havrot: Call in the army.

Mr. Mackenzie: That's what the Tories want.

Mr. Havrot: Get Idi Amin. He'll take it over.

Mr. Warner: No, no; to the member for Timiskaming, we'll just call on the people of Ontario and let them answer. This government one day is going to have to answer for what it has allowed Inco to do.

Mr. Havrot: Oh yes. Terrible.

Mr. Warner: It just can't stand by idly and watch someone pillage the countryside and not raise a finger. Some day it's going to come home to haunt the government and the member knows it.

Mr. Havrot: Absolutely.

Mr. Grande: I'm glad you're so agreeable.

Mr. Havrot: Nothing to it; same price.

Mr. Philip: Why weren't you so agreeable last night when you tried to do a coverup?

Mr. Warner: What is so astounding is that while I describe for the members of the assembly, including the member for Timiskaming, that Inco portrays for us the kind of irresponsibility which exists, it is but one example. In other areas, while we may have some responsible corporate citizens, they are not about to ensure that we develop our secondary industry or that we develop the manufacturing sector related to that without some leadership from this government, and we don't have that leadership.

The best we've ever wrestled out of this government was the \$200 million announced by the Treasurer (Mr. F. S. Miller) as a slush fund—no direction. And as we found out in question period today, not even any criteria. The government has the money to hand out, we don't even know to whom or under what conditions. But we are guaranteed, based on the past record, that it's not going to be used to build a stronger economic infrastructure in the province of Ontario. That's sad, because our natural

resources are the most obvious place to build a stronger economy. This province seems incapable of doing that.

Mr. Grande: It's the government.

Mr. Havrot: Mr. Speaker, on a point of order, I don't see a quorum in the House.

Mr. Warner: Well, I do.

Mr. Speaker called for the quorum bells.

On resumption:

Mr. Warner: The member for Timiskaming missed four valuable minutes of my speech. All that means is the speech will be an extra four minutes on Monday.

Mr. Havrot: The four minutes of silence was more appreciated.

Mr. Warner: It is so nice to know the north has at least one animated rock.

I would like to talk for a while on food prices. It was evident the other day from the response or non-response that we got from the Minister of Consumer and Commercial Relations (Mr. Drea), otherwise known as the minister of corporate protection, that this government doesn't have any legislation to protect consumers in the province against metric conversion ripoffs. It doesn't have any legislation nor any proposed legislation.

Further, it is obvious that the government doesn't have any meaningful legal protection for the consumer in terms of food prices. To add insult to it, yesterday this government decided to block the most meaningful proposal we have had put forward in this House to protect consumers against food prices.

Included in the blocking motion—and you may not believe this, Mr. Speaker—the Minister of Consumer and Commercial Relations took part in the deed that was done yesterday—a deed which was a slap in the face to the consumer, because he is saying to the consumer, "Take your chance; we don't care how high those food prices go, because this government isn't going to do a thing to protect you."

Shame on the minister and the government.

On motion by Mr. Warner, the debate was adjourned.

The House adjourned at 1 p.m.

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Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Bryden, M. (Beaches-Woodbine NDP)
Conway, S. (Renfrew North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Davison, M. N. (Hamilton Centre NDP)
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No. 34

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, April 30, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

MONDAY, APRIL 30, 1979

The House met at 2 p.m.

Prayers.

STATEMENT BY THE MINISTRY

FLOOD DAMAGE

Hon. Mr. Brunelle: Mr. Speaker, today my colleague the Minister of Natural Resources (Mr. Auld) and senior staff of his ministry are viewing the flood areas in Field township and Springer township. On his behalf, I am outlining to you the situation as it has occurred over the last four days.

At 9 a.m. on Friday, April 27, Mr. Whalen, supervisor of field services, Ministry of Natural Resources, North Bay, advised the minister's office in Toronto that the water had risen 20 inches on the Sturgeon River at Field since 6 p.m. on Thursday, April 26. At that time assistance from the ministry had not been requested. All the Ministry of Natural Resources staff in the area were alerted to have boats and equipment ready when we were called upon.

Abitibi Paper Company Limited was having problems with rising water in its powerhouse and, although not requested, our Ministry of Natural Resources staff sent over pumps to assist the company. At that time the road between Field and Sturgeon Falls was under water. About 25 families had left their homes in Field and were staying with friends or relatives.

On Saturday, April 28, Dr. N. Patenaude, reeve of Field township, requested assistance from the Ministry of Natural Resources and, on this request, the Minister of Natural Resources declared Field township a provincial flood emergency. The Ministry of Natural Resources has made available all the necessary equipment—boats, radios and so forth—to the township. We have been informed that about 1,200 people have been evacuated and are staying with friends and relatives in the area. Ministry of Natural Resources staff are monitoring the flood on a 24-hour basis.

On behalf of all the members of the Legislature, I wish to express the concern and sympathy of us all to the residents affected by the serious flooding that has occurred. The Minister of Natural Resources will be

back in the Legislature tomorrow and will be giving a full report.

ORAL QUESTIONS

DISASTER RELIEF ASSISTANCE

Mr. S. Smith: Mr. Speaker, could I ask a question of the Provincial Secretary for Resources Development in the understandable absence of the Minister of Natural Resources?

Given the flooding to which he has just referred, which seems to have caused a total shutdown of the Abitibi mill for about four months and which apparently has virtually destroyed the lumber-based economy of the Field area, can we be sure the government will get away from its matching one-for-one program, which is obviously irrelevant in this case, and give disaster relief to this area on a three-to-one basis at the very least, such as happened in Cobalt, rather than on this matching basis?

Hon. Mr. Brunelle: Mr. Speaker, this is certainly a very important question and one which will be discussed at the cabinet meeting on Wednesday.

Mr. S. Smith: By way of supplementary: Could the minister in addition give some public information with regard to Ontario Hydro holding back water at the moment on its dams upriver from Sturgeon Falls? It is our understanding that Hydro is doing so, even above the usual safety limits, in a very understandable attempt to reduce the flooding.

Can the minister advise whether that is the case and how soon it will become necessary to open those dams, since the water level is still rising? What kind of information can the minister provide with regard to the Hydro dams?

Hon. Mr. Brunelle: I am sure the Minister of Natural Resources in tomorrow's announcement will be giving full details on that matter.

Mr. Cassidy: Supplementary, Mr. Speaker: In view of the fact that this flooding is taking place not just in Field on the Sturgeon River, but is also taking place in Searchmont on the Goulais River and in the community of Iron Bridge on the Mississagi River, will the minister undertake now on behalf of the

government to declare that all of the affected communities along the north shore that are being hit by this flooding—in the case of Iron Bridge, it is 32 feet above the normal summer water level—will be declared disaster relief areas in order to qualify for disaster relief?

Will the minister also undertake to establish a northern disaster relief fund that will take into account the special problems of unorganized communities in the north that in no way can come up with the kind of money for matching grants that the government requires of southern communities affected by flooding?

Hon. Mr. Brunelle: Mr. Speaker, we will certainly be pleased to take those matters under consideration.

Mr. Bolan: Mr. Speaker, a supplementary: In view of the fact that Field Lumber is the only business in this community and it employs in excess of 100 people, and in view of the fact that it has suffered financial losses and damages in excess of \$1 million, what is the government prepared to do to assist in the redevelopment of this industry?

Furthermore, when the government has its cabinet meeting to discuss this matter, will it consider relocating the town of Field? That was the suggestion after the flood in 1960 and nothing was done with respect to relocation at that time.

Hon. Mr. Brunelle: Mr. Speaker, those certainly are very important questions, and I believe they also will be taken into consideration.

Mr. MacDonald: Supplementary, Mr. Speaker: Would the minister respond now or make certain the Minister of Natural Resources responds tomorrow to the accusation, I believe it was of the fire chief, to the effect that this was a man-made flood, not a natural flood, because of Hydro's handling of the dam? It could have been handled differently in March and the flooding avoided now; that was the clear assertion of the local official.

Hon. Mr. Brunelle: Mr. Speaker, it is my understanding—and I may be corrected on this—that only about five per cent of the waters can be controlled by dams. However, I am not too knowledgeable in that area. The honourable member's question will also be taken into consideration and there will be a full reply from the minister.

Mr. Conway: In view of the fact the Ottawa River is cresting or expected to crest within a day or two at very high and dangerous levels, can the minister undertake to investigate what the posture of Ontario

Hydro will be with respect to water control up river from such communities as Pembroke and Fort Coulonge in the province of Quebec, which are this very weekend experiencing flood conditions?

Hon. Mr. Brunelle: At the risk of repeating myself, Mr. Speaker, that also will be considered.

Mr. S. Smith: Mr. Speaker, I want to raise a question about the matter of radiation at the Bruce station but with the minister absent and no one in the government apparently prepared to read a statement on the matter, I wonder if the Premier (Mr. Davis) will be here? Can the Deputy Premier tell me if the Premier will be here?

Hon. Mr. Welch: Yes, he will be here later on.

Mr. S. Smith: Perhaps I'll reserve my question until that time.

CHRYSLER LAYOFFS

Mr. Cassidy: I have a question I would like to direct to the Deputy Premier arising out of the announcement last Friday by Chrysler Canada that they intend to lay off permanently 550 employees in their engine plant in Windsor because of low sales of V-8 engines. That plant phased out six-cylinder production a year ago. In view of the fact Chrysler Canada is making these layoffs in spite of the incentive grants it has received, can the minister say what action the government intends to take in order to save those jobs and to ensure Chrysler Canada lives up to the promises it made to the government to give Canadians a fair share of future production and jobs in the engine field under the auto pact?

Hon. Mr. Welch: It would seem appropriate that we would refer that question to the Minister of Industry and Tourism (Mr. Grossman) to respond. Now that we have the question on record, I'll be glad to bring that to his attention when he returns.

Mr. Bounsall: Supplementary: In that referral, would the minister please point out to the Minister of Industry and Tourism that following the loss of the 600 jobs by the transfer of the six-cylinder engines, all that equipment is still there and usable in the Windsor engine plant? Would he note that those jobs on the six-cylinder engines could be returned within two to six weeks at the most, restoring entirely the work force in that engine plant?

Hon. Mr. Welch: I can only reiterate what I've already said in response to the main question. I understand that what is happening

there is a production cutback which is affecting the entire continent and not just this plant. The reasons for it I'm not able to say. But I would think now that we have the question and the supplementary on the record, the honourable members could look forward to some more detailed response from the Minister of Industry and Tourism.

Mr. B. Newman: A final supplementary: Would the minister convey to the Minister of Labour (Mr. Elgie) that the government was informed of the situation back on May 2, 1978? At that time the union and the community were concerned that the phasing out of six-cylinder-engine manufacturing was going to have a harmful effect on the employment picture in the community because they were only going to be making eight-cylinder engines. That type of engine is a thing of the past, to to speak, and the big cars are not going to be as popular as the smaller-engined cars. The government at that time said it was going to discuss this and require a greater notification from industry before the industry contemplated any drastic changes in production.

Hon. Mr. Welch: Yes, I will include that in my conversation with the minister. The officials of the ministry have been advised with respect to this softening of the North American market that some 550 persons from the engine plant in Windsor will be affected by this. At the same time some 2,100 employees in the United States will also be part of a continent-wide layoff that becomes effective on May 14. As I have already indicated, I will be very pleased to make sure the Minister of Industry and Tourism receives this information.

USE OF HERBICIDES AND PESTICIDES

Mr. Cassidy: I have a new question to direct to the Minister of the Environment. Can the Minister of the Environment confirm reports that the Pesticides Advisory Committee of his ministry has recommended it resume issuing permits for the use of the pesticide 2,4,5-T? Given the fact that 2,4,5-T is not only extremely toxic itself but may also be significantly contributing to the dioxin contamination of the Great Lakes, will the minister undertake that Ontario not issue any further permits for the use of 2,4,5-T? [2:15]

Hon. Mr. Parrott: Mr. Speaker, I think I know where that rumour started and I guess I have to accept the responsibility. To some member of the media I said that the committee has done its preliminary investigation

and does not see a great problem with it. However, I do not have that in writing and I am not unconditionally sure that I will receive that kind of recommendation from the advisory committee.

Secondly, I also suggested then, and I certainly again say today, that I have, of course, not made any decision on that recommendation. Obviously, I won't be asked to until such time as it reaches my desk. When it does, I will take into consideration the kind of comments that the leader of the third party just gave us.

I think it is fair to say that the decision by no stretch of the imagination is confirmed. I am well aware of the reasons for not continuing the present ban, and will give the matter careful consideration before any changes in the present status are made and will report to the House. I hope the member doesn't think there is any doubt that that kind of announcement will be made here first, on a formal basis, whether it's for or against. I am simply saying no decision at all has been made so far.

Mr. Cassidy: Mr. Speaker, in view of the fact that 2,4,5-T is known to contain trace elements of dioxin, that that is inevitably present in this pesticide, can the minister explain why it is that after three years, when only 10 kilograms of 2,4,5-T were allowed to be used in Ontario, there was the use of 5,580 kilograms of the substance in agricultural and non-agricultural uses last year? In view of the dangers that we are all much more aware of, will the minister not make a commitment here, now, in this House, that the suspension of 2,4,5-T use will be permanent, and will not the government thereby make at least some small contribution to eliminate the hazards of dioxin in the Great Lakes?

Hon. Mr. Parrott: I think it would be unfair of me to make a positive decision on a recommendation for which I asked and which I have not yet received. I think that would be unfair to the advisory committee. Indeed, I am not sure what its report to me is going to be, and to make a commitment prior to receipt of that report would make it rather foolish to have even asked the committee to look at it.

As I have said to the member, I am more than prepared to consider those concerns and others, but surely it's reasonable to ask that committee to formalize its report before we do anything more because, at the moment, and this is the operative point, it is banned. We can do no more than that, and if we are going to lift that ban, obviously it will have to be announced here.

Ms. Bryden: In making his decision about this pesticide, is the minister aware that Dr. Dianne Courtney, a senior scientist with the United States Environmental Protection Agency, in 1974 testified before a congressional hearing that all uses of 2,4,5-T should be banned? Has he looked into that testimony?

Hon. Mr. Parrott: No, I haven't looked into that testimony and those are the kinds of things that we will consider. I just would ask again that the House understand the significance of asking that very competent committee—and I think the House will agree it is a very competent committee of known experts, the very best in this province; not ministry experts, as a matter of fact, Mr. Speaker, but experts in the scientific world who sit on our Pesticides Advisory Committee. Did I say "world"? I meant to say "Ontario"; sometimes I get expansive, but the very best of the people here in Ontario who sit on that committee and report. Surely we should give them full opportunity to consider. At that time, I am sure with their recommendation will come whatever logic they have used to arrive at that recommendation. Please don't ask me to prejudge their recommendation. I just don't think it fair to the scientific community of Ontario.

ALASKA PIPELINE

Mr. Mackenzie: I have a question for the Deputy Premier. Is he aware of the pressure from US steel interests which may result in changes in the procurement policies for the Canadian section of the Alaska pipeline, and will the minister take action to indicate clearly this province's opposition to reopening the pipeline contracts and to reassure the thousands of Canadian steel and electrical workers who are involved and who have, I think, reason to fear another sellout?

Hon. Mr. Welch: Mr. Speaker, I will have to admit that I am not personally aware of this, which is the response to the first part. Certainly I will have the Ministry of Industry and Tourism check into the concerns expressed by the honourable member and report back to the House.

Mr. Mackenzie: Supplementary: Inasmuch as we have argued for Canadian content in the pipeline, can the minister give the workers at Stelco, Ipsco and the various electrical plants any more assurance that they will hold on to their jobs and that the government will do more to protect their jobs than happened in the case of the Columbus McKinnon workers in St. Catharines?

Hon. Mr. Welch: I happen to know something about what we did in so far as the

Columbus McKinnon workers in St. Catharines were concerned. We don't take a second seat to anyone with respect to our interest in trying to preserve those jobs.

Mr. Laughren: Tell us how you saved the jobs. What did you do?

Hon. Mr. Welch: I think that was a comment that was not really called for as part of the main question. I am quite prepared to stand up in any place in my constituency to speak in terms of what we did in so far as the Columbus McKinnon dispute was concerned.

Mr. Mackenzie: They went down the drain, all 300 of them.

Hon. Mr. Welch: As for the other matters involved, certainly I share the sentiments that have been expressed in this House by the members from the Niagara Peninsula generally with respect to this pipeline contract. As I indicated in response to the main question, I would be glad to get further information, and whatever assurances can flow from that will be given.

Mr. Swart: Supplementary: I would like to ask the Deputy Premier, in view of the statements made by both the Premier and the then Minister of Industry and Tourism that they were satisfied the contracts would come to Canada for the pipeline, does he not now think he has some special obligation to pursue this matter? Will he check out the statements, which were made by the Northern Pipeline Agency, that there may be some revisions in the wording of the Foothills procurement plan and that there have been some suggestions that bids were rigged in some way to determine whether it may not be that the United States interests are twisting arms with the Foothills company and that there was not any rigging of bids before?

Hon. Mr. Welch: I would like to repeat that this government stands fairly strongly on this whole question of providing employment opportunities for our people here and, perhaps unlike others, we feel that whatever action we would take should be based on fact. At the moment, I have given the assurance that we will check out the facts of the situation. I think it would be much better to act from a factual basis than from any speculation with respect to what may be happening behind the scenes.

Mr. Warner: The only thing you stand firmly on is quicksands.

Hon. Mr. Welch: Once we have the facts, and if the facts support the necessity of some strong intervention, there will be that inter-

vention or some position will be made quite clear.

Mr. Cassidy: What did you do about Columbus McKinnon?

Mr. Warner: Hollow words. You will not guarantee Canadian jobs.

DAY-CARE POLICY

Mr. Blundy: Mr. Speaker, I have a question of the Minister of Community and Social Services. Is it correct that the ministry has instructed day-care licensing inspectors not to reveal the names of those centres that have been found in contravention of the Day Nurseries Act and, therefore, operate on a three-month temporary licence?

Does the minister not think that parents and the public should have the opportunity to assess the quality and standards met by each centre and at least know in a clear and open way how and why the ministry attaches conditions to the licences of some centres?

Hon. Mr. Norton: I have issued no such instructions to the members of my staff.

Mr. Makarchuk: Do you know whether anybody else did?

Hon. Mr. Norton: Not to my knowledge.

Mr. S. Smith: Can I ask a supplementary then? Can the minister account for the fact that in Hamilton it would appear seven places are now on a three-month temporary licence, including Mini-Skools and six others, and yet when the Hamilton Spectator sought information about the names of the six it was told that this kind of information is not given out and, apparently, it is not available to parents under these circumstances?

Would the minister please correct that in Hamilton and make certain that parents are informed about which day-care centres are on a three-month licence and—so that they be properly informed—the reason for it, which, in some cases, may be more or less important than in others. But these parents could then make their own decision.

Hon. Mr. Norton: Yes, Mr. Speaker. I was not aware that such an attempt had been made by the Hamilton Spectator, on the basis of which they were allegedly refused information. I will try to find out what happened and rectify it.

Mr. McClellan: By way of supplementary, may I ask the minister if he would simply table for the House the names of all day-care centres in the province operating on temporary licences?

Mrs. Campbell: Let the record show that the minister is nodding his head.

CHILDREN'S MENTAL HEALTH CENTRES

Mr. Bounsall: Mr. Speaker, a question of the Minister of Community and Social Services: Since the minister has frozen the budgets of all mental health treatment centres with budgets of more than \$1 million, does he realize the devastating effect of this; particularly in the case of Windsor Western Hospital Centre having to close down entirely its 12-bed residential treatment centre for adolescent boys? There is no alternative preventive program in place in Windsor to meet that need. There's a list of 11 boys who wish to get in there and they face a long waiting period. There is a four to six-month waiting period for outpatient treatment, a length of time which is now going to grow. Where are these very disturbed boys to go when inpatient treatment is required for them?

Hon. Mr. Norton: Mr. Speaker, I met recently with the executive of the Ontario Association of Children's Mental Health Centres. I explained to them that the announcement I made represented a change which is to be phased in over a period of many months. My staff will be meeting with the affected agencies and assisting them in making the necessary adjustments in their budgets to live within the limitations they face.

I also assured them that during that period of time some \$15.9 million will be available for new alternatives in the community, over and above what exist at the present time. It will be disbursed in order to ensure co-ordination of the development of alternatives within the community where they may not already exist and we shall do our best to work with them. In many communities alternatives do exist so there would be minimal disruption, I hope none.

There may be, in some specific cases, some minor cause for concern. We shall try to respond to that, but, I can assure the member the attempt is being made, as a result of the phasing process, to try to make sure there are no gaps in service development.

Mr. Bounsall: Is the minister saying, then, that if there are no alternative programs in force in Windsor, funding will be found for that inpatient treatment centre beyond July 1? That is the date on which it must close for financial reasons as things now stand.

Hon. Mr. Norton: Mr. Speaker, I have made it clear to the children's mental health centres, and particularly those with budgets in excess of \$1 million—

Mr. Bounsall: No padding in this budget.

Hon. Mr. Norton: —that the \$16 million available for front-end service, or alternative community services for the children who might otherwise end up in children's mental health centres, is available to them just as it is to any other child service agency if they present us with proposals that meet the criteria we have established. So if the agency to which the honourable member refers perceives there is a need in the community not currently being met, then we would welcome from them, as from any other agency, a proposal which we might then consider for funding out of the new initiatives.

Mr. Ruston: What assurance can the minister give us that on the closing of such a facility as this, which is serving such a great need, there is some alternative place for these people?

[2:30]

Hon. Mr. Norton: Mr. Speaker, I would like to assure the honourable member that on the basis of the information I have—and this information is not just from my own staff but in fact from persons directly engaged in the operation of children's mental health facilities in the province—first of all it is not our intention that children will simply be removed from those centres and, figuratively speaking, turned out on the street. Secondly, I have been informed by persons in the children's mental health field who are engaged in day-to-day operations that in some cases—this is not a general figure across the board I am not suggesting that—but in some cases as many as 40 per cent of the children who are currently in residential care need not be there.

Bearing in mind that kind of information, coming from persons in the children's mental health service area, I think it is incumbent upon us to provide the necessary support services so that those children who need not be there can remain in their homes or have alternative placement within the community. That is what we are trying to achieve.

I can assure the honourable member we will not be turning out children who are in need of care; rather we will be trying to find the most appropriate type of care for those children who, for a period of time, do need either treatment or support in the mental health field.

Mr. Cooke: Mr. Speaker, I would like to ask the minister how he can give assurances that children in need will not be turned away when there are already long waiting lists for the regional children's centre, both outpatient and inpatient? He knows that, because

I have written an open letter about the outpatient program.

Finally, I would like to ask the minister why these major moves are being made before the children's services committee which has been set up in Windsor as one of the pilot projects even has the opportunity to have any input into this decision? How can the minister decide which alternatives need to be put in place in a community like Windsor at this time?

Hon. Mr. Norton: As soon as the committee is fully operative in Windsor, there will most certainly be a role for them to play in this. I am sure the honourable member himself would be critical of us in the reverse position; that is if we were doing nothing and using the explanation that we were waiting until all the children's services committees were in place.

Mr. Cooke: There is one in Windsor and they should have input on this.

Hon. Mr. Norton: I am sure the honourable member is sufficiently committed to opposition that whatever we did he would be critical. All I am suggesting is that we are now moving in what I think is a positive and creative way. I expect his criticism and I welcome it. I am sure that whatever we do he will continue to be forthcoming.

Mr. Blundy: Mr. Speaker, given the many instances in the past when the Ministry of Health and the Ministry of Community and Social Services have cut back on residential care and services before the alternatives were ready in the community—and the minister cannot say that has not been the case, it has—given those facts is the minister going to commit himself that there will not be further cutbacks until the alternatives are in place?

Hon. Mr. Norton: At the risk of being repetitious, I would like to point out to the honourable member that, first of all to the best of my knowledge there have been no cutbacks in residential care to children in the absence of alternatives; at least as far as my ministry is concerned, I cannot speak for all other circumstances.

Furthermore, if the member has listened to and read the announcements I have made this year with respect to the funding and programming for children's services, he will recognize that probably the largest percentage increase in any program in my ministry, and perhaps in any program in government, has been in the area of children's services. We have managed to establish \$16 million in new money for use in priority areas, which funds are precisely earmarked for the kind of thing he is concerned about.

In many communities in this province alternatives already exist. This is \$16 million for new, priority expenditures, to ensure that in those areas where we are trying to curtail the growth of residential programming alternatives will be in place. It is not going to happen overnight. It will be phased in over a period of several months, both the additional alternatives and the limitation on residential growth.

TEACHER-BOARD DISPUTE

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Education. In view of the strike of secondary school teachers in Haldimand, would the minister indicate if an exception will be made in the 100 to 120 hours per year necessary for the successful completion of a credit, as required in ministry regulations, for those students of Haldimand county who are presently out of class because of the teachers' strike?

Hon. Miss Stephenson: It is my understanding the board of Haldimand county is attempting to ensure the required number of hours of instruction will be provided for those students for whom it is necessary in those schools.

Mr. Sweeney: Supplementary, Mr. Speaker: Given the minister's own report of last September, which showed specifically that grade 12 and grade 13 students were most negatively affected, does she have any provision for that board, or for any such board, to give additional supplementary academic qualifications or academic training to those grades 12 and 13 students who are going to be graduating?

Hon. Miss Stephenson: Mr. Speaker, I am not sure it would be necessary to have specific provisions under the Education Act to do that. It is my understanding the board could do that if it so desired; but I will check that to be sure.

Mr. G. I. Miller: Is the minister aware there are four schools in the area, two under the non-semester system and two under the semester system? The ones under the semester system have only completed 47 per cent of their semester for 1979; I wonder if the minister is aware of that? Also, can she tell us the position of the negotiations at this time? They broke down on April 12, which is three weeks ago, and the strike is now into its fifth week?

Hon. Miss Stephenson: Mr. Speaker, I am aware, because the honourable member has told me so, that there are two schools on the semester system and two that are not. I am

also aware the Education Relations Commission is actually aware of the differences between the two groups of students and their requirements. I can assure the honourable member they are monitoring the situation in terms of the educational program of those students.

The present state is that the mediator stands ready to serve both parties. There is a mechanism for arbitration which is available to both parties at this time if they will agree to use it.

I know the Education Relations Commission is looking at this situation on a daily basis. I have had some brief communication from them, but I have not had a communication thus far on the status of the educational program.

WELFARE PAYMENTS

Mr. McClellan: Mr. Speaker, I have a question of the Minister of Community and Social Services. I want to ask the minister whether he's aware that a number of municipalities, and I am aware specifically of Chatham, are cutting people off general welfare assistance on the grounds they are receiving tax rebates, both in terms of property tax and the baby bonus tax credit? I want to ask the minister, since this is exempt income under the terms of the General Welfare Assistance Act, what action he intends to take to prevent municipalities from cutting people off social assistance when they receive this exempted income?

Hon. Mr. Norton: Mr. Speaker, the particular case the honourable member cites is one that obviously causes me some concern. I might indicate, as I announced some time ago, that this is exempt as income under any of the provincial programs.

The way we have treated it under family benefits, since we as well as the municipalities are subject to the asset limits established under the Canada Assistance Plan, is that where a person receives a lump sum payment under the tax credit system we will not treat that as an asset until the end of the fiscal year in which they receive it. In my opinion, it was intended to be an annual tax credit that was to be allocated to expenditures on behalf of the children in the family, as appropriate, during the course of that year.

In my opinion the municipalities are free to make a similar kind of judgement in terms of treating that as a liquid asset. I would hope in most cases that is the way they would deal with it.

I think perhaps where they need to have some discretion is that, generally speaking,

general welfare assistance is a shorter term, emergency type of assistance. It could be, for example, that an individual in receipt of the tax credits might at the same time be turning to the municipality for very short-term assistance, say for one month. For example, the average length of stay of an employable person on general welfare assistance is from four to six weeks, fluctuating from time to time during the year.

I think the discretion is necessary at the municipal level in order that persons with substantial savings, or substantial bank accounts, do not seek temporary assistance unless it is really necessary.

In terms of the discretion that is exercised by this particular municipality, I would hope it is not a general policy they will follow. At this point, I have no intention of interfering with their exercise of that discretion. As I indicated in an interview recently, we have pleaded with the federal government to try to have those tax credits spread over the year. We have been assured, following that, that the Minister of National Health and Welfare will attempt to do that in subsequent years, but he felt that it was administratively impossible this year in the sense that people do receive the whole of the tax credit in one month during the year, thus creating problems under the asset guidelines of the Canada Assistance Plan.

I can only encourage the municipalities, if they are looking at it as an asset, to delay in treating it during that month and look at it at some point—I would recommend the end of the fiscal year—by which time one would hope it would have been expended upon the needs of the children for clothing or returning to school.

Mr. McClellan: A supplementary, Mr. Speaker: Surely the minister realizes that what has happened in Chatham is that the municipality has, in effect, stolen the baby bonus from a social assistance mother. It is the baby bonus we are talking about which is now provided on a negative income tax basis.

My question to the minister is, does he not agree that is a violation of the General Welfare Assistance Act, since this is exempt income? Secondly, what does he intend to do to prevent municipalities from stealing family allowance cheques from social assistance recipients?

Hon. Mr. Norton: Mr. Speaker, I would suggest to the member that it is certainly debatable as to whether it is a liquid asset or income. Certainly the monthly family allowance, which is still received by indi-

viduals, is exempt. The tax credit may, in fact, be regarded as a liquid asset.

Mr. Warner: In other words, the minister will do nothing.

Hon. Mr. Norton: I think that the matter will certainly be resolved in future years.

Mr. Warner: He'll sit on the sidelines and do nothing.

Mr. Speaker: Will the member for Scarborough-Ellesmere please try to contain himself? I understand he'll be speaking on the budget this afternoon.

Mr. Warner: My apologies, Mr. Speaker.

Hon. Mr. Norton: At this time I can only encourage municipalities not to be oppressive in their interpretation of it.

PUBLIC OPINION POLLS

Mr. Williams: Mr. Speaker, I have a question of the government House leader. I would remind him that approximately a year ago this House concurred in a resolution by our colleague, the member for Durham West (Mr. Ashe), advocating the prohibition of publication of opinion polls during provincial election periods. In view of the fact that there has been a proliferation of such polls during this federal election period, all of which seem to have varying results—and there probably will be more before the campaign is over—could the government House leader indicate to this House the position of this government with regard to future provincial elections and the prohibition of publication of opinion polls?

Hon. Mr. Welch: Mr. Speaker, I must say that certain of those federal polls are very encouraging, from my point of view; I can assure you of that. Certainly there is no question that is going to make a big difference in the peninsula from which I come. But the particular question is with respect to the publication of polls at provincial election times. The government is giving very serious consideration to drafting legislation in keeping with the spirit of that resolution, although no definite decision has yet been taken.

[2:45]

NUCLEAR PLANT SAFETY

Mr. S. Smith: I'd like to direct a question to the Premier in the absence of the Minister of Energy (Mr. Auld). Will the Premier or some other member of the government be making a statement today on the accident that happened at the Bruce generating sta-

tion and exposed certain workers to doses of radiation above the usual limit? In particular, can the Premier tell us whether he has been informed about the matter and whether the radiation in fact came from a broken fuel bundle that personnel were attempting to remove from the reactor? Is it correct to say that part of this bundle is still missing; or has it been recovered, and if so, can the Premier tell us where it was recovered?

Hon. Mr. Davis: Mr. Speaker, I really wondered whether the Leader of the Opposition was going to make the statement or was expecting one from me. It was not my intention to make a statement. I think the Leader of the Opposition was informed that the Minister of Energy is in the northern part of the province dealing with matters of concern to members on both sides of the House.

I do have a report here related to this particular incident. I could read it; it is fairly complex. Suffice it to say that two workers were exposed, as the press has indicated, to radiation levels of 5.5 rems. Putting this in perspective—not being an expert in these areas—I am informed this is somewhat comparable to the radiation one would receive from a series of back X-rays, and something less than if you were having an X-ray for, say, ulcers—which the members opposite might know more about.

I think it's fair to state that the fuelling machine containing the fuel bundle removed from the pressure tube was discharged into the spent fuel bay. The bundle was not complete. Part of it is still there inside the fuelling machine; it hasn't been lost. Discussions are at present under way as to the best method of removing the fuel elements and it is anticipated—they are quite hopeful—that they will have unit one back in service this week.

While I am on my feet, I would say further, since the Leader of the Opposition raised this matter at a somewhat late period of the select committee's discussions of the concerns all members of the House have with respect to the safety of our nuclear system, that the chairman of the committee has received from Ontario Hydro a letter which I think it would be appropriate to read to members of the House.

"Dear Mr. MacDonald:

"The select committee on Hydro affairs, at its meeting on Friday, April 27, heard testimony from Dr. Stuart Smith, at which time he also submitted certain documents relating to the operating safety of the Bruce nuclear power station"—which documents I just

happen to have a copy of here, from Mr. Schultz, dated April 16. The submissions were made, I gather, on Friday of last week.

"In response to the immediate flurry of questions from the media over the weekend, Ontario Hydro attempted to place these seven documents and the testimony in proper perspective and to refute the implications that the Bruce plant was operating under substandard safety conditions and procedures.

"Needless to say, I am particularly concerned about the misinterpretations the public may place on the significance of these events, all of which were promptly reported to the Atomic Energy Control Board"—and then in parentheses—"(and I include the exposure to radiation of two employees of the Bruce plant this past weekend). None of these represented any radiation risk to the public and none represented any type of emergency situation. Each of the incidents was fully investigated, as are hundreds of events each year, and corrective action taken where necessary.

"Of particular significance, in my view, is the fact that six of the seven events in question were reported in a series of quarterly reports which are in the public domain." I would assume these are the ones the member for Grey-Bruce (Mr. Sargent) went down to the public library at Hydro and obtained. "The seventh, which occurred in January 1979, will be included in the first quarterly report for 1979.

"This letter confirms the position we expressed to the media during this past weekend that Ontario Hydro is not only prepared"—and I would just add a little editorial comment here. Not only are they prepared but right from day one they have been anxious. I think we should understand that this, hopefully, is a concern felt by all members of the House. We want to see the system safe. At the same time we don't want to see the concern exploited in a way that disturbs the public unnecessarily—and I emphasize "unnecessarily."

It is very important to the future of this province that we have a safe nuclear system, in terms of fact and in terms of perception. It is great to raise these issues, but I think a responsible politician has to do it in perspective and with an opportunity for some immediate discussion and immediate reply, so that the public will have some understanding, some sense of the realities.

No one in this House is more concerned about the safety of our system than is the Premier of this province. But I think we all have a responsibility to treat this unemo-

tionally and responsibly through the committee, and the committee was in the process of doing just that. I interrupted the letter. They do say this:

"... but is anxious to appear before the select committee as soon as possible. I believe that it is imperative that these issues, which have received extensive media coverage, be clarified and that public concerns that have been raised about the safety of our nuclear plants be resolved. In my view, this can best be accomplished in the same forum in which the original issues were raised.

"Sincerely, Robert Taylor."

I think I am translating it accurately. I understand from our House leader that the very able chairman of the select committee is having a steering committee meeting, or whatever way it is described, later this afternoon. They will be making their assessment as to whether the committee should sit again later on this week to deal with the seven points raised rather late in the day on Friday.

I emphasize that Hydro—and speaking for the minister, too—have always maintained a position that they want the public to understand. From the government's standpoint, we are as concerned about safety as anyone else, but we feel it is important, on issues of this kind, where it is not too easy or too hard these days to stimulate public feeling—as was demonstrated over the weekend—that all of us treat this responsibly and, I would suggest with respect, in as fair, intelligent, logical, and as non-partisan a way as possible.

Mr. Speaker: Before I recognize the honourable Leader of the Opposition for a supplementary, I think everybody would agree that was more by way of a statement than an answer to a question. I will add six minutes to the question period, which will terminate at 3:13.

Mr. S. Smith: By way of supplementary to my original question, the Premier indicates, from the statement which he describes as complex—a statement I hope he will table for us all—that the fuel that did not come out whole is in fact still in the fuelling machine.

I wonder if the Premier would be able to table the complex report he refers to and also tell us whether anybody else was exposed to radiation and whether the workers in this operation were trained in the procedure—whether the regular workers were trained in the procedure they undertook.

Hon. Mr. Davis: I don't intend to table this, but I will get a copy of it for the Leader of the Opposition. There are one or two

editorial comments—not editorial comments, rather some handwriting—here. I think it might be typed out so that he could more readily understand it. Certainly, I would be delighted to get him a copy of it.

Actually, nine of the 28 elements in the incomplete bundle were missing, so that assumes 19 were accounted for. Is that mathematically correct?

Mr. Cunningham: You're from the old school.

Hon. Mr. Davis: I heard a supplementary question from the member for Wentworth?

Mr. Eaton: It was just a snide remark.

Hon. Mr. Davis: The member for Wentworth is never snide. I would never suggest that for a moment; just most of the time.

I can't answer the Leader of the Opposition, although from the press reports it would appear that only two workers were involved and, as I say, at a 5.5 level. I will certainly make every effort to ascertain if there were more and what degree of experience the two who were exposed have had with this particular situation.

As I say, I hope the members opposite—and this is not a statement—understand that people at Ontario Hydro, though it may come as a bit of a surprise to members opposite, really are concerned about safety. They are concerned about their personnel. They do discharge their public responsibilities pretty well. I think members of this House should recall that they have a rather onerous responsibility at all times and, as public servants in the proper sense of the word, are making a genuine effort to deal with it. We, as legislators who have a responsibility, obviously, perhaps have an obligation to discharge some degree of maturity as we deal with these very difficult and sometimes controversial issues.

Mr. Cassidy: Supplementary: While Hydro has now stated that it will make available to the select committee the documents that it requires in order to look into both these seven incidents and also the other problems that have occurred at the Bruce and Pickering power stations, is the Premier not concerned at the fact that so much of the information which has become available to the public has come through various forms of leaks, through phone calls to radio stations in the case of the radiation exposure, through leaked letters coming from people who are concerned to members of the Legislature in the case of last week's revelations and through material going to people in the anti-nuclear movement with relation to the risks of the emergency core-cooling system not being able to do the job it was designed for?

Will the Premier undertake in future, in addition to Hydro's revelations before the committee this coming week or in the next couple of weeks, that Hydro will have an open information policy in relation to nuclear power? Will the government also undertake that freedom of information will start to be the rule and not the exception as far as this government is concerned?

Hon. Mr. Davis: This government really is very free with information, not always by design, I admit.

Mr. Laughren: That's for sure.

Hon. Mr. Davis: As it relates to Ontario Hydro, I can't comment on phone calls or letters that may or may not have taken place on the weekend. I do recall the member for Grey-Bruce asking, I believe the Minister of Energy, a specific question. I think the member for Grey-Bruce was invited by the Minister of Energy to attend at Ontario Hydro.

I think the facts are such that personnel at Ontario Hydro assisted the member for Grey-Bruce in giving him or showing him the documentation. Of the seven items—the ones that have been raised here or raised on Friday—six had been reported to the Atomic Energy Control Board and were there as part of a public record while the seventh particular situation was to be included in Hydro's report to AECB.

I would suggest that if the chairman of the select committee feels that Ontario Hydro has not been totally forthcoming—and certainly I've had no indication of this—on these issues, I wish he would communicate that to me because my understanding or sense is that Ontario Hydro is anxious to have these matters resolved in terms of the public's understanding and perception. It's in their interests, it's in everybody's interests.

Mr. Cassidy: When Hydro is pushed to it.

Mr. Isaacs: On a point of privilege, the Premier in his previous statement referred to the member for Wentworth. I want to request that the record be corrected. The member for Wentworth was not involved in the way the Premier suggested.

Hon. Mr. Davis: I am sorry. I called him the member for Wentworth by mistake.

Mr. Speaker: That clarifies the record.

Mr. Nixon: Supplementary: I was concerned in the Premier's statement that he felt the review of the questions and information put forward by my leader to the committee should have gone forward without delay. Is he not aware that we specifically moved for such a discussion to take place

without delay and that it was his colleagues who voted against such a discussion? We are hoping of course that it can be held later this week.

I see the chairman is discussing the matter with the House leader. Surely the Premier is aware of what happened at the meeting on Friday where we continued about five hours on related, but other matters, after my leader had put forward the material that had come into his hand the previous day.

[3:00]

Hon. Mr. Davis: Mr. Speaker, I really can't comment on exactly what transpired on Friday. I do have a copy of the material that I presume formed the basis for the Leader of the Opposition's observations. That material was dated April 16.

Mr. S. Smith: The Premier should know before he says anything.

Hon. Mr. Davis: I understand the member for Grey-Bruce isn't the most communicative person in the world and that this is the kind of information he would keep unto himself until Thursday of last week and not discuss with his leader. If that's what the member is saying to me, I am not going to debate it.

Mr. Nixon: Then you are accepting it?

Hon. Mr. Davis: I am saying I am not going to debate it. If that's what he did, fine.

Mr. MacDonald: On a point of order, Mr. Speaker: I think the House should be aware of the fact that two things happened at the committee last Friday. One, it was agreed unanimously by the committee that the procedure henceforth was that Hydro would be asked to provide all documents with regard to nuclear safety. I repeat: all documents with regard to nuclear safety. If there are some that Hydro feels should be retained as confidential documents, we will welcome their recommendations in that connection, but the committee will make the decision as to whether they remain secret or whether they are made public. All those documents will readily be made available.

Second, the committee decided that we will be meeting as quickly as Hydro is in a position to respond to the documents that the Leader of the Opposition presented to the committee.

I received the letter the Premier has alluded to from the chairman of Hydro within the past hour. Within five minutes, I called the steering committee. It is meeting in my office after question period and, other things permitting, we will be meeting toward

the end of this week to have Hydro's response, including not only the response to the documents that were tabled, but to the incident that was reported by Mr. Schultz's contacting a radio station in Toronto with regard to the exposure of two employees some time in the recent past.

Hon. Mr. Davis: On that point of order, I am delighted that the chairman of that select committee really has confirmed what I said about 12 minutes ago.

Mr. Nixon: On that point of order and without joining in the Premier's delight, I hope that the chairman of the committee is prepared to confirm, or by his silence confirm, that there was a motion put forward by my colleague, the member for Halton-Burlington (Mr. J. Reed), calling for the immediate discussion of these matters and that it was defeated by the Conservative members voting with the NDP members at that time.

Mr. MacDonald: On that point of order, there was a motion put forward by the member for Halton-Burlington, but it was agreed that we should get from Hydro a reasoned and full response to the documents. We couldn't continue to sit that afternoon. We had other witnesses who were there for that period. We said we would meet as quickly as possible, and I repeat, we will be meeting, other things permitting, by the end of this week.

WATTS FROM WASTE

Ms. Bryden: Mr. Speaker, I have a question for the Minister of the Environment. Can the minister tell us what is holding up the start of construction on the Watts from Waste program, which his last annual report said would start the past fiscal year? Is it stalled by buck-passing between him and the Minister of Energy or is it not proceeding because the financial assistance from the province is insufficient to enable Metro to get it under way in view of its borrowing constraints?

Hon. Mr. Parrott: Mr. Speaker, it certainly isn't being stalled because of buck-passing between the Minister of Energy and myself. I can be very sure in telling the member that. With regard to why it has not proceeded, I think both Metro and ourselves are very concerned about the tremendous escalation of costs. Quite frankly, I am not at all convinced that it's reasonable and fair to expect that the Ministry of Energy should assume all of the increase in costs, which have been substantial.

We must discuss that aspect of the increase with Metro, and that is the purpose of the

study that is now taking place. I don't think the people of Ontario should expect to pay all of those costs. It's something that Metro might want to contribute to some degree. We will discuss those things when we have a further report on it.

Ms. Bryden: Supplementary: Has the ministry undertaken an update of the economics of the project since the original 1973 study, in view of the fact that the cost of energy has escalated tremendously since then and that we are running out of landfill sites and can only replace them at tremendous cost?

Hon. Mr. Parrott: Yes, we have.

NO-SMOKING BYLAWS

Mr. Bradley: A question for the Attorney-General: In view of the fact certain municipalities have expressed concern about the status of their anti-smoking bylaws and have advocated the province pass province-wide or enabling legislation in this direction, would the Attorney General, speaking as the chief legal officer, indicate to the House whether his ministry or any other ministry of the government is contemplating compulsory legislation on a province-wide basis, or enabling legislation or, as a final resort, making available to municipalities the expertise of this ministry so they can have a model bylaw they could use which would stand up in the courts?

Hon. Mr. McMurtry: I know of no such legislation being prepared at the present time. I assume the concerned municipalities are or will be communicating with the Minister of Intergovernmental Affairs (Mr. Wells). I think he perhaps is in the best position to judge the need for such legislation and, in the event of a recommendation for such legislation from the Minister of Intergovernmental Affairs, the member can rest assured our ministry will assist in any way possible.

PROVINCIAL SCHOOLS DISPUTE

Mr. Bounsall: A question of the Minister of Education, Mr. Speaker: Would the minister now speak directly and immediately to the Provincial Schools Authority, the management bargaining agent with the Provincial Schools Authority teachers, to ensure the final salary offer of a pitiful 2.6 per cent increase is increased, bearing in mind the eight per cent arbitration award which the Hydro workers received about 10 days ago? This offer, along with the issues and concern over the serious and restrictive understaffing occurring in our provincial schools, was rejected with an 87 per cent vote by those teachers. Would the

minister do this in an attempt to avoid a quickly looming strike by the 640 teachers in our corrections system and in our schools for the deaf, blind and retarded across this province?

Hon. Miss Stephenson: I had some communication with the authority at the end of last week.

Mr. Bounsall: Supplementary: On the restrictive staffing situation, does the minister realize that by June 30 of this year, over 40 teaching positions in our provincial schools will have been eliminated since January 1, 1978? Does she realize there are now schools with students of school age being refused education since there are no classrooms or qualified teachers and, in particular and of late, there has been the termination of the educational program and, therefore, the teaching positions, in Windsor, London, Hamilton, Toronto and Ottawa detention centres?

Hon. Miss Stephenson: I was not aware of the specific concern raised by the honourable member. If he would like to detail that for me, I would be most interested in looking at it.

DIAMOND SHAMROCK PLANT

Mr. S. Smith: A question for the Minister of the Environment regarding the Diamond Shamrock plant in Hamilton: Can the minister explain why it is scrubbers were not installed in this plant until well over two years after the control order called for them? I understand they were put in just this past week, and they were required two years ago. Is the Ministry of the Environment prepared to allow this plant to expand its chemical operations without an environmental protection hearing of some kind? Is the ministry aware of the difficulties this plant has created, with smells in the neighbourhood, smells described by a ministry official as like those found inside a horse barn? Is the minister prepared to make some compensation to the people in the area?

Hon. Mr. Parrott: I can't tell you why it wasn't done two years ago, Mr. Speaker, but I can tell you why the scrubbers are there now. It is because the ministry staff insisted and they have taken a very positive action with that particular industry to clean up the site for the benefit of the residents who are adjacent to it.

Mr. S. Smith: A brief supplementary: Since the control order was for 1977 and it wasn't implemented until just last week, I

am not sure why the ministry wishes to take so much pride in its performance.

In particular, however, will section 14 of the Environmental Protection Act be used to clean up this company or cause the company to compensate people in the neighbourhood who have been living with these chemical smells, and is the minister now monitoring the situation and can he tell us what the cause of these smells happens to be?

Hon. Mr. Parrott: I think most of that is of a technical nature, Mr. Speaker, and I will be glad to report back to the member.

WELLAND CANAL

Mr. Swart: My question is to the Premier. Could I have the Premier's attention?

Hon. Mr. Davis: The honourable member has my undivided attention.

Mr. Swart: I would ask him if he is aware that on November 27 of this year it will be 150 years since the first ship went through the Welland Canal and there are going to be major celebrations in the municipalities along the canal? Is the Ontario government going to make any special proclamation or in any way itself commemorate this historic event?

Hon. Mr. Davis: Mr. Speaker, in discussions with the very distinguished member for Brock some two or three weeks ago, where a member of my family had the very real pleasure of christening one of the new Canadian vessels on the Great Lakes system—

Mr. Foulds: A new Canadian vessel?

Hon. Mr. Davis: A new Canadian vessel. That means a vessel built in Canada for Canadians. Does the member understand what I am saying? It was built by Canadians.

Hon. Mr. Welch: At Port Weller drydock.

Hon. Mr. Davis: At Port Weller drydock. I have to say she did it very well. I should not exercise any parental pride here, but she pushed the button at the appropriate moment, the domestic champagne struck the bow of the vessel at the appropriate moment and all went very well.

Mr. Foulds: Was it Baby Duck?

Hon. Mr. Davis: It was not Baby Duck on that occasion. It was rather chilly, sort of shortening the ceremonies—

Mr. Foulds: Too bad it does not shorten the answer.

Hon. Mr. Davis: We had one of the very eminent historians from the peninsula remind

us all of the 150 years of service of the Welland Canal to the economy of this province. In fact, he related to us, I would inform the honourable member, because his knowledge of the history will not be as extensive as this particular individual's—

Mr. Swart: It will be when you are finished.

Hon. Mr. Davis: —as to the very limited capacity, and he drew some excellent comparisons between the canal then and the canal today.

And yes, Mr. Speaker, in consultation with the member for Brock I think it will be appropriate for this province in some way to be recognizing the very important role the canal has played in the economic and social life of the development of all parts of this province, particularly the riding of Brock and those others in the peninsula the canal serves.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, I wish to table the answers to questions 8, 10, 20, 23, 26, 27, 28, 29, 31, 34, 36, 40, 42, 45, 60, 65, 67, 74, 76, 82, 84, 87, 100, 102 and 103 standing on the Notice Paper. (See appendix, page 1450)

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resumption of the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. Warner: Mr. Speaker, it is unfortunate that the member for Timiskaming (Mr. Havrot) who promised he would be here—

Mr. Bradley: The House is emptying, hurry up.

Mr. Warner: Yes, I will wait for members to take their places. I know they are hurrying to get a cup of coffee and then come back here.

On Friday, the member for Timiskaming promised he would be here on Monday. Mr. Speaker, you will recall that on Friday last when I had the opportunity to speak we began by discussing the serious cutbacks in our health care system in Ontario. The signs of erosion are quite apparent to all of us, even if some members of the House choose to ignore them. It was by fortunate coincidence that on Saturday when I was in my riding office—

Mr. Deputy Speaker: Order. I wonder if the members who are leaving the chamber could depart quietly if they have to depart?
[3:15]

Mr. Warner: That is much better.

Mr. Gregory: No it isn't. Now I can hear you.

Mr. Warner: I was fortunate enough to receive a letter from a constituent who had the unhappy circumstance of having to rely on the cutback services that are now existent in our health-care system. I read the letter with care. I was impressed by the depth of feeling in the letter and of the voice that was crying out for some perspective to be put on this whole serious matter. Therefore, Mr. Speaker, I wish this afternoon to have the opportunity for all members of the assembly to hear this most descriptive letter. I will read it unedited, unabridged and ask members to listen carefully. It reads as follows:

"As a relatively young mother with three children, I was recently brought abruptly face to face with our health crisis with regard to diagnostic methods, bed shortages, and inadequate facilities for rendering not only physical protection but emotional protection for patients facing neurosurgery.

"At no point, however, could criticism be directed at the nursing and healing professionals. Their skill, concern and compassion can only be commended. The working conditions under which they strive to provide the lifesaving measures needed are abhorrent in these days of waste of taxpayers' money on frills, trivia and nonsense.

"I, for one, believe the time has come for people such as I and others who have been through the following situations to start to speak out against the inadequacy of our system, and to improve it, where possible and necessary, for the comfort and health of very sick loved ones.

"My story deals with neurosurgery and conditions on the 4C level at St. Michael's. I suggest a reporter with a brain tumour and an anxious family could probably bring the message across better than I; but I will give it a try.

"My husband was diagnosed as having a brain tumour. This was originally identified by a brain scan, but until the actual surgery we didn't know for certain what we were dealing with. He spent a week in Scarborough Centenary Hospital for a workup series of tests. He had been having severe headaches for over a year. Scarborough Centenary is not equipped with CAT-scan, because of the expense involved, which could have aided in an early diagnosis of his problem. After com-

pletion of various tests at Scarborough Centenary he was moved at 11 o'clock on Sunday, December 10, by ambulance and after hours, to a hallway in the emergency ward on a stretcher, with other poor, suffering souls on stretchers.

"He was moved into an emergency examining room and examined by very caring professionals. Then the wait began again, trying to find a bed for him in the neurology section. For a long time, it seemed that he was going to be in the hallway because of the acute bed shortage. To be in a hospital hallway in any hospital is not pleasant under any circumstances, regardless of the illness. It is like being on display. But, to have a brain tumour, facing surgery, possibly the next day, and being in the hall on 4C would have been an emotional hell.

"Luckily they did have a bed for him in a public ward. Depressing is the only word to describe conditions on that floor. It seems ludicrous to me that a specialty like neurology and the patients afflicted by serious ailments requiring the services of neurosurgeons, should be subject to the conditions they are on 4C at St. Michael's.

"The intensive care unit is 404. To get to the pay telephone at the end of the corridor, patients awaiting surgery or recovering from surgery must pass by; and it is impossible to have the door closed most of the time because of the necessity of nurses and doctors constantly moving back and forth to provide the necessary care.

"Can one imagine the emotional fear the prospective candidate must encounter, realizing that the next day he is going to be in that room, possibly in the same agony or worse, as the occupants he now sees as he goes to the end of the corridor to wait his turn in line to phone his loved ones at home? When I had to leave my husband there Sunday night I cried, because at least at Scarborough Centenary Hospital he could walk to a lounge or down a hallway for exercise, and he could get the much-needed rest he was going to so desperately require.

"On any given day on 4C the corridors are filled with patients in beds and patients in wheelchairs, with no place to go. Ideally, the intensive care room, perhaps, should be in a special area so that patients and family are not continually brought face to face with the suffering after surgery and subsequent recuperation.

"It seems we are constantly reading and hearing about (1) doctors leaving for the States, (2) hospital beds not available for patients, (3) cutbacks in medical staff, nurses, et cetera, (4) cuts in hospital budgets. My

first question is what is the most important thing in life. Some would say love; I say health. When you're faced with cancer, as an example, loving is very painful and quite often very brief when measured against a normal life expectancy.

"It seems to me that what moneys may be saved by slashing budgets, cutting staff and beds, postponing various surgery, et cetera, may well cost more in the final analysis when families are forced to go on welfare programs because (1) a head of a household has died, leaving a spouse and children without any other alternative; (2) the emotional problems imposed on children when illness and death strike one or both parents necessitating, in many cases, psychiatric help and sometimes involving the law; (3) lost taxes because of an inability to work.

"The above are only a few areas where the monetary cost could be great. It says nothing of the fear and suffering that each family faces when a parent or child is struck with a dread disease, or is handicapped and has to rely on our doctors and hospitals for the care they need, and are entitled to, as Canadian citizens.

"We can send kids to play hockey games in Europe but we can't find beds in many cases when an ambulance pulls up to the emergency department of our hospitals. We have all kinds of lotteries for cultural endeavours, et cetera. I suggest a quick scan of the obituary column is enough to realize all the culture in the world isn't going to help us when our lives are shortened because research is not moving fast enough to find causes and cures for the vast number of diseases that are crippling and killing us.

"Why can't some of this money be poured into health care in this country? Our doctors and nurses are leaving for other countries because of the restrictions we place upon them. Dentists, lawyers, politicians, et cetera, are not held up to public scrutiny for the amount of money they make and they aren't on call constantly at all hours, day or night, facing and dealing with death and the agony of human suffering. We don't read or hear of the high charges of electricians or plumbers. Why are doctors constantly being dragged through the headlines? Is our health less important than our plumbing facilities?

"When the Auditor General's report is released annually, listing the fantastic wastage of money, our money, entrusted to the government of Canada to be used on our behalf, I for one question if we aren't all sacrificial lambs led down the road to

slaughter. We work and skimp and sacrifice just to make ends meet in our households, sometimes sacrificing proper nutrition in our desperate attempts. We pay a fair share of money in sales tax, provincial tax, federal tax and municipal taxes, plus all the hidden taxes on products we purchase, and the government wastes a fair share on absolute nonsense and then uses our medical care as a convenient scapegoat.

"I'm not anti-government but I am tired of the backbone of the country, the 'middle class' families, being constantly dumped upon. We're told to work harder and to stop bellyaching; in the meantime, our people are losing their pride and dignity, as they lose their jobs. When was the last time our humble leader and his colleagues walked the streets looking for reasonable-paying jobs? We're told to spend our money on vacations in Canada while our leaders vacation in the sunny south of the US or abroad. We're told not to demand large salary increases, while municipal politicians in one borough recently voted themselves a 50 per cent increase. We're expected to tolerate all these various abuses and then we are supposed to sit back quietly and watch our health care system, along with our health, deteriorate.

"I'm not highly educated and I'm not a public crusader nor a writer. I'm just a terribly concerned wife and mother. Last year I had the very beginnings of cancer. One year later my husband, who is now undergoing five weeks of daily radiation treatments, has been stricken. For those people who think it will never happen to you, there is no such immunity, just as there is no guarantee that you will never require hospitalization as a result of an accident or fire, or any one of the other reasons.

"What about our children and their future? Aren't they entitled to good health care? Don't we owe it to them to try and fund as much research as possible to find the cures to the various diseases that are causing such agony to so many of us?

"Before people complain about increases in OHIP premiums, they should take a stroll through Princess Margaret Hospital on any weekday. Those people waiting for treatment aren't actors from commercials, and it's standing room only on many occasions. Or you could take a stroll up to 4C at St. Michael's and see if that's the kind of facilities you would want your loved ones in, should they require neurology care.

"We can, and must, do better. Our lives and the lives of our families are at stake, and the time has come for all of us to look at what is happening and speak out. It's

time to stop letting our doctors do all the work for us and to take the initiative.

"1. Educate yourself about what is happening.

"2. Speak out; discuss it with family, friends and neighbours. What do you expect with regard to health care when it is needed for yourself or your loved ones?

"3. Write your MPs and make your views known. Write your Prime Minister.

"4. Support your doctor and, if you are blessed with a good one, be grateful and hope that he stays in Canada.

"5. Pray that people can unite and accomplish an almost impossible dream, that we can stamp out some of these killing diseases and offer future generations adequate health care and, perhaps, freedom from prolonged suffering.

"I am aware that, since the writing of this letter, money has been allocated for the renovation and expansion of St. Michael's—approximately \$30 million, I believe. In the interim, though, the Etobicoke General is now feeling the acute pressures of government cutbacks in funding, resulting in elective surgery being curtailed as a means of coping with the situation.

"Quality of care must be in question when Scarborough General Hospital is threatened with a \$750,000 budget cut. I wonder what a survey of hospitals would reveal if scrutinized as to the effects of financial restraints on patients and prospective patients needing care?

"There is also the feeling that all of this must be affecting the morale of nurses and doctors in the hospitals. There have to be feelings of resentment, bitterness, frustration, and perhaps the feeling of being overworked, building up. Perhaps, if left to build long enough, apathy will settle in and then we'll really have more serious problems.

"Now, we have an increasing number of doctors opting out of the OHIP system, and I don't personally feel that it's all because of a desire for money. Surely doctors have the right to be compensated for the years of education needed and the money required to become a doctor, to say nothing of the enormous sacrifice of time and energy involved. They must also bear the brunt of inflation along with the rest of us; office overhead and the various expenditures required must be costly.

"I fully appreciate the fact that the government is looking for ways to save money, but I don't believe the education of our young and the health of all of us should be

the primary targets. Our taxes rise, and the most important services get cut.

"Perhaps various government agencies should smarten up; i.e., unemployment insurance. After a serious accident in 1973, I had to go three times to my family doctor for him to fill in the same form, stating I was unable to work following brain surgery, eye surgery and extensive scarring—three office visits billed to OHIP when one should have been sufficient. Even then I didn't begin to collect benefits until my mother, after enduring an irritating, prerecorded message for the longest time, finally managed to get through to someone to ask how they expected a bald person (my head had been shaven because of the head injuries and subsequent brain surgery) with extensive scarring, just out of hospital following major surgery, to go look for a job.

"I'm sure there are a great number of people who could relate similar asinine treatment. It must cost taxpayers a fortune just for all the forms and paperwork involved in the duplication and triplication of services, not to mention postage. We spent a fortune on computers and the latest technical know-how, along with key personnel in most instances, and we still can't get the system working satisfactorily.

"Six years later, after my encounter, I still have reports of unnecessary duplication. No wonder the government is crying the blues over money deficits. It doesn't seem to have a clue what's happening in its own agencies.

[3:30]

"The news story last week, March 15, of the gentleman who swindled the government out of a considerable sum of money just to prove how easy it was, and then returned it, certainly proved my point. It's a shame that the people who are responsible for areas concerning our health and education have to be in Ottawa most of the time. Perhaps if Mr. Trudeau or Dennis Timbrell walked in the worn-out moccasins of the average mother, father, child, teacher or doctor they might see things a little clearer. They might better understand our fears and concerns for the present and future.

"The time has come to re-evaluate our priorities with regard to the quality of life for ourselves and those we love. We are blessed with great doctors and nurses, and our family doctor is one of the nicest. We have great personnel. How about facilities?"

It's signed: "Mrs. Brenda Mignardi."

There is a PS: "When there are cuts to be made, why are they in the areas where

people are most vulnerable and the services most needed: health, education, protection?"

That's the end of the letter.

I don't think any member of the assembly could put forward the frustration any better than that woman has. I spoke with the constituent for some time on Saturday and it was evident to me she had gone through a personal ordeal which had left her wondering what on earth has happened to our priorities down here. I had to say to her: "I don't understand what the government is doing."

This isn't a poor province. We're not destitute. Any day of the week this government can find money for Judy LaMarsh or anybody else who wants to carry on a silly episode out there. We can find money for that—

Mr. Ziemba: Or Minaki Lodge.

Mr. Warner: —but can we find money to maintain a good health-care system? This government says no. This government says it is quite content to have people in hallways and on stretchers. That's absolutely wrong. And as long as I'm alive, whether I'm in this House or not, I'll damn well fight every one of those hospital cuts. I'll fight every time this government wants to cut back on health care.

I'm proud to say I have been a part of the New Democratic Party movement in this country for quite a few years and I know it was the CCF that dragged this government kicking and screaming into public health care. I'll not back down from the fight, not one inch.

I leave it on the conscience of every one of these cabinet ministers, as they sit around a table deciding whether or not to give Judy LaMarsh or anybody else \$500 a day to do something foolish, as to what kind of effect they're having on the health care of our citizens. I leave it on their consciences. In the meantime, the people of Ontario will voice their opinions at the ballot box. Make no mistake about it, this serious attack on the health-care system will be taken up by the people of Ontario. They are not going to stand idly by.

What do the honourable members think it is that drives an average, law-abiding citizen like my constituent to write such a lengthy letter? She told me on the phone she's not a publicity seeker. She's not crusading. She's simply voicing her dismay at what this government has done to our health-care system. What's sad about it is that there isn't a single sign the government can solve the problem or is even willing to.

Why are doctors leaving this country? It is not just money. Surely no one in this House is foolish enough to suggest that it is money. Of course, they would like a raise in pay. Most hard-working people do. But they have had it with the bureaucratic harassment they get from this government.

In an age of technology, should it take six weeks, eight weeks, 10 weeks to process a claim? There is absolutely no way that should occur, but it does. This government seems incapable of running a computer system, let alone a health-care system. The doctors have complaints. Many of them are legitimate in my view. Surely this government is able to resolve those complaints. But it can't even negotiate a contract in good faith. Talk to the doctors about that, as I did.

I met with Dr. Moran of the Ontario Medical Association. Sure we have a philosophical difference about health care. We cleared that one first. What was evident to me was that this government has no intention of bargaining in good faith with these doctors.

One could argue that doctors don't have a very powerful union. No union would put up with bad faith bargaining as the doctors have. I asked Dr. Moran, "Do you have an objection to negotiating a multi-year contract over fees, linking them into the utilization rate for the province of Ontario?" The answer was "no."

"Well, why haven't you done that with the government?"

"The government hasn't shown any interest in doing that."

Yet that was the very suggestion that came out of the health-care report—the select committee report. It was precisely what that three-party committee had recommended unanimously. But our respected Health minister thumbs his nose at that and, in the process, alienates the doctors. How on earth can the minister expect to reach any resolution of the problem when all he does is alienate the doctors?

On the matter of hospital cuts, I defy any member of this House to go through a hospital and tell me where the fat is. I have been through two hospitals now and I will go through another 100, if that is what it takes. I spent eight hours over at the North-western General Hospital and another eight hours at the Scarborough General Hospital. I toured the facilities, met and talked with doctors, nurses and administrators. There is no fat left to cut out. If there was any before, it's not there now and what you are cutting out are essential services. That is where the government is cutting now. No one could make crueller cuts than that. If

there is some member of this assembly who can show I am wrong, let him stand in his place and give me the proof.

I guess the most disturbing part about it to me, and I would welcome a speech from the Minister of Health (Mr. Timbrell), is that I don't believe this government is committed to a public health-care system. I don't believe that. I think they view it as some sort of insured service, the buying of insurance, the way you do for your car or your house or your pair of glasses. You buy insurance.

This is an essential element of a civilized society—health care—not something that is available to the highest buyer. I am sorry, but running a health-care system is not like running a Mr. Submarine. When we reduce ourselves to that, then this government had better get out; just leave quietly in disgrace. I could go on at some length about hospitals and doctors. There isn't anything that disturbs me more, because I cannot believe a government has any less responsibility than to provide the very best health care possible for every citizen, not just to those who can afford it. If this government chooses not to do that, then I stand in opposition to this government and won't back down.

I'd like to talk for a few moments about something else that's related to that and that's nursing homes. It's evident now, particularly after the CBC program a week ago Friday called the Kowalski-Loeb Report, in which I had the pleasure of briefly participating, that we need a public inquiry into the nursing homes in Ontario.

I think the most telling comment in the report wasn't by me but by Mr. Kowalski, who did the program. I had made the accusation, and I make it again, that this government, particularly the Minister of Health, covers up what he knows and he does it because of pressure exerted on him, pressure by the nursing-home association. He knows full well of the severe problems in nursing homes and he chooses to hide his head. He knows, based on recommendations he has received, that certain nursing homes should have their licences revoked or alternatively severe fines levied. He chooses not to do that.

What was interesting on the program is that after I had made the accusation, Mr. Kowalski said, "And our research shows that Mr. Warner is right." I'm not the only one. I've never been the only voice in this House fighting to have the problem of nursing homes unearthed. My good colleagues, the member for Windsor-Riverside (Mr. Cooke) and the member for Carleton East (Ms. Gigantes), have also been pushing to have the facts

revealed. Now the coroner, Dr. Cass, following the inquest into the death of Mrs. Edythe Gramshaw from St. Raphael's home in Yorkville, and again on the television program, calls for a public inquiry into nursing homes. It is inconceivable to the coroner that the horrible conditions he discovered in St. Raphael's home are not duplicated elsewhere in the province.

If it is difficult to obtain in a coroner's inquest the documents needed from the Ministry of Health, then it must be equally difficult to obtain documents on other homes. Only under threat of subpoena could he gain the documents he needed for the inquest. I've never been able to obtain the documents we need—that is the original nursing-home inspection reports, not a Mickey Mouse summary. We want the actual reports with the recommendations written down by a senior official in the inspection branch as to what should be done with that home under those conditions.

Remember St. Raphael's at the time? There were some 67 violations of the Nursing Homes Act, many of those serious enough to put many residents in peril of their life. What was done? Nothing. There was a little slap on the wrist, a suggestion to the owner he should clean it up, take care of the problems. Was there any punishment for his crime? None whatsoever. Does he know the Nursing Homes Act? Of course he does. He's supposed to meet all the standards before he gets his licence in the first place. When he breaks those standards, doesn't it follow that there should be some punishment or even a modest fine? No, not a thing. Then to compound it, the minister has the nerve to bring in a report which suggests the fine should be increased from a \$1,000 to \$10,000, when they've never levied a single fine. He might as well make it \$1 million if he doesn't intend to prosecute. There also have been no revocations in the last couple of years—not since 1972.

[3:45]

A public inquiry is essential because only with a public inquiry are we going to get to the bottom of this mess. The Minister of Health chooses to ignore the problem. He chooses to bury the papers. The nursing-home association, of course, has its own vested interest. Yet when they came before us on the select committee on health-care costs and I asked them directly they said, "Yes, we would co-operate in an investigation of the nursing homes in Ontario."

They believe most of the homes don't have any problems and have nothing to hide. Some

homes are not operating properly and they admit that. They will co-operate with an investigation and yet the minister staunchly refuses to have an investigation. He is derelict in his duties; I would remove him from office tomorrow.

I would like to speak briefly about food prices. We have debated the issue of food prices in this assembly off and on for quite a long time and government chooses of course not to take what is the most direct action that's needed. That's a food prices review board with the power to roll back unjustified food prices.

In a recent survey I conducted in my riding I asked the following question and here are the answers. The rise in food prices is reasonable—that was the question. Yes, 9.9 per cent; undecided 3.6 per cent; no, 86.5 per cent. Almost 87 per cent of the 500 people who responded said the increases in food prices are not reasonable.

Second, the main cause for higher food prices. Do members know what most people felt was the main cause for the higher food prices? Increased profits by the middleman-wholesaler, 28.2 per cent. Then followed increased profits by the supermarkets, 21.5 per cent; less Canadian and more imported produce, 18.4 per cent; and the drop in the value of the Canadian dollar, 17.1 per cent. Down at the bottom of the list contrary to the myth promulgated by the government, 12 per cent said higher wages to employees and 1.9 per cent said increased profits by the farmer.

This is an urban riding I represent, although I do have the votes of every farmer in the riding. But these are city people talking out to the government and saying, "We don't believe the farmers are getting more money; we don't even believe the employees are getting a lot more money; but it's the middlemen, the wholesalers, the supermarkets."

I believe they are right. If they are not, surely it's the responsibility of the Minister of Agriculture and Food (Mr. W. Newman) or of Consumer and Commercial Relations (Mr. Drea) to prove otherwise. We have never had any proof in this assembly the supermarkets and the middlemen aren't ripping us off. Not once have we had a shred of evidence. So perhaps the government should show us.

I might as well read the little note I sent back to everyone on food prices. It says: "I believe that there are three major initiatives needed: legislative protection for prime agricultural land, elimination of unfair trade practices in the food industry and a food prices review board with the power to roll

back unjustified price increases. The present government has never been willing to take any of the above initiatives. As the Conservatives sit and watch, our food prices increase dramatically and our farmers go out of business. Changes are needed." I will stand by that.

There is another area I would like to talk about. It is an area this government has consistently neglected. Interestingly enough, one would expect from the mythical background of their philosophic bent that it would be an area they would automatically respond to. I believe it is an area that would help the serious economic structural problem we have in Ontario and which hasn't been tapped, that is, small business.

I had the opportunity last summer to put together a five-page document entitled, *Small Business and the Economy*. I took this paper and hand-delivered it to small businesses throughout my riding. I had a fascinating response to that. I had a lot of small businessmen say to me basically two things: "Yes, we agree with you. Small business, when assisted properly, can assist the economy in Ontario, but we have never had that chance. Those large corporations cause problems for us and this government doesn't appear to do anything about it." Secondly, they said: "We were surprised that the NDP was so interested in small business."

Mr. Nixon: It is incredible.

Mr. Warner: It would be incredible to the member for Brant-Oxford-Norfolk, but it is not incredible to the small businessmen in my riding.

Mr. Nixon: They don't trust you. They think you want to nationalize them.

Mr. Warner: The proof of the pudding is in the eating. That is an old saying which the member would know about.

Mr. Nixon: You have been saying you are going to nationalize for long enough, but you haven't.

Mr. Warner: Could I just give the member a little information here?

Mr. Watson: When does a small business become a multinational?

Mr. Warner: This is a fascinating cross-current, but perhaps I could return to the subject so that I don't have to do a lot of cut and paste. During its term of office in British Columbia, the NDP government reduced the provincial corporate income tax rate for small firms from 12 per cent to 10 per cent and introduced for the first time a distinction between small firms and big

business that allowed small businesses to pay a lower rate.

Mr. Nixon: They had the biggest deficit in the province's history.

Mr. Watson: Tell us about the insurance industry.

Mr. Warner: In Saskatchewan, an extensive small business counselling program has been taken advantage of by over 10 per cent of the businesses in the province. This program is combined with a system of loans to new businesses, with ongoing access to technical and managerial advice, through the Saskatchewan Economic Development Corporation, to provide assistance in the crucial start-up phase.

As well, Saskatchewan has provided a whole series of subsidies under the main street program to allow small businessmen, especially in rural Saskatchewan, to refurbish their premises and revitalize the downtown areas of many small towns. This program has not been in operation for very long, but there are already indications that it is successful in giving people a reason to stay in the small towns and preserve the fabric of rural life.

Through these programs, Saskatchewan has acknowledged how important the contribution of small business is to that fabric. A similar program was instituted in Manitoba when our party was the government.

I could go on, but the point is that every time there has been an NDP government, important essential programs to assist small business have always been introduced and have always been successful. This party has always had a very strong commitment to small business.

The Deputy Speaker, who is leaving the chair, will recall that there was a private member's bill brought in—I think it was the member for Victoria-Haliburton (Mr. Eakins), but a member of the Liberal caucus—

Mr. Nixon: You think! It is the famous bill introduced by the member for Victoria-Haliburton.

Mr. Warner: The bill was famous; not the member.

Mr. Nixon: Both are highly regarded by knowledgeable economists.

Mr. Warner: What happened to that bill? The bill never went anywhere. I suppose the member for Victoria-Haliburton probably would say that is fine provided we have something in its place in the form of a government bill, but we do not have that either. There is no substantial indication from

the government of this province that it is interested in assisting small business.

I had some minor complaints with the bill introduced by the member for Victoria-Haliburton but, basically, it was a good bill. There is no reason that kind of idea could not be adopted. Why not put some restrictions on government purchasing to guarantee small business it is going to get its portion of the business dealings? This government is not interested. Our party certainly is.

The last thing I wish to touch on is our housing crisis. Quite a few disturbing things have occurred in the last while. First of all, there was the government's announcement to the council of Metropolitan Toronto that this government no longer intends to be involved in housing. That is a very disturbing kind of comment. This government or any other government has a responsibility towards the production of housing and towards trying to stabilize the housing market. I gather it is in keeping with the wishes of the present Minister of Housing (Mr. Bennett), who announced at the beginning that he did not want a Ministry of Housing. He wants to get rid of it and he is doing a good job of it. His announcement the other day certainly served notice that the Ontario Housing Corporation intends to dump its stock on to the municipality and let them manage it. I would imagine, parallel to what they have done in other fields, that it means the municipality picks up the cost as well.

That aside, this government has a responsibility to try to maintain some sense in land prices. That can be done in many ways. Certainly it can be done through land banking. But if it is going to be done that way, surely it has to be followed up. The Malvern experiment is becoming a disaster. That land, as the Acting Speaker, the member for Humber (Mr. MacBeth), will likely recall, was first set aside following the Second World War; 1945 was when they began to bank land up in the Malvern area.

One would expect, if land was banked in 1945, that in 1979 the houses should be a bargain. But they are not. Yes, it is cheap to get in; it requires a low down payment. But after five years the mortgage opens up, back to conventional rates, on the assumption that in the interim the person who bought the house will have a rise in income sufficient to meet the higher mortgage costs after the five years.

[4:00]

Well, someone forgot about the Anti-Inflation Board. Most of those people who bought homes in Malvern are average citi-

zens whose incomes range between \$12,000 and \$15,000 a year. In today's inflationary times how does someone in that income range meet the sudden jump of mortgage interest payments when the five years have expired? That person has been under the Anti-Inflation Board—not a professional, not a lawyer, not the kind of person who wasn't affected by the AIB, like our infamous friend from Inco who received a \$100,000 increase in his salary during the AIB period.

These are average working people, and when those five years are up some of those people are going to be forced out of their homes. We could do a couple of things, and I'll put forward a suggestion to the government. I am suggesting that they can peg the mortgage interest rate at eight per cent, or eight and a quarter per cent, or even eight and a half per cent for first mortgages on houses. The government can do that. It has the vehicle available: the Credit Union League of Ontario. From my previous conversations with them—and I recall having met with a group of their directors a while back—they would be more than willing to render as a service the transfer of money from the international market to the house mortgage market at cost. The estimate would be a quarter of a percentage point for bookkeeping costs.

If this government gets money—and it has a triple-A rating that it brags about all the time—from New York at eight per cent it could turn it over through the credit unions for eight and a quarter per cent for house mortgages. Everyone sits here and scratches his head and wonders why the government wouldn't do that. It seems so reasonable. I'll tell you why, Mr. Speaker; because it interferes with the banks and the trust companies who make money hand over fist, unconscionable amounts, with no responsibility towards housing.

The government is not going to reverse that unless it takes housing on as a social responsibility. If it does, then it will amend the act in Ontario; because the credit unions are precluded from doing that by statute. The government should amend the act so the credit unions can be involved and it should make sure that home owners can get eight and one-quarter per cent or eight and one-half per cent mortgages. It can be done. This government chooses not to do it.

Mr. Nixon: That sounds like socialism.

Mr. Warner: Oh, the woeful pressures of Bay Street.

Mr. Makarchuk: We did it in Brantford. We built houses for \$32,000.

Mr. Nixon: Marvellous houses.

Mr. Warner: Did you build one for him?

Mr. Makarchuk: No. He never had to buy houses—

Mr. Nixon: When I hear the member for Brantford talking about hard times I weep for him. He just got back from a cruise on his blooming yacht.

Mr. Deputy Speaker: Order.

Mr. Warner: You fellows have just contributed to more cut and paste.

Mr. Nixon: Send it all out; your mother will like it.

Mr. Warner: What is tied in with it, of course, are the property taxes. That is the other problem, the other barrier which home owners face and, of course, which tenants face as well, property taxes. This government made a deliberate decision a year ago that it would shift the taxes from here to the municipalities and back on to the property tax. As it cuts back in service, it transfers that to the municipalities. The taxes go up, and there is only one place to get the money: the property tax.

We watched it in education. In Metropolitan Toronto the government of Ontario has cut back its contribution from approximately 34.2 per cent to 23.8 per cent, a drop of more than 10 per cent over the last two years. There is only one place where that shortfall will be made up, and that is in the local taxes. So the taxes in Scarborough, Etobicoke, North York and so on will increase because this government has cut back in its contribution to education.

Similarly, we will find it in services. It is a terrific ploy. As the government cuts back in services and shifts the cost to the municipalities, when the property taxes go up people are going to complain to their local aldermen. They are not going to complain to the members of the assembly. They will complain to the local aldermen, who they feel are responsible for the taxes going up. They are the unfortunate victims of the misguided policies of this government.

It is this government that is causing that rise in property taxes, and it had better find a way to solve the problem.

Mr. Watson: This government doesn't set those rates; the municipalities set their own rates.

Mr. Warner: In order to allow other members to participate in the budget debate, I will skip over the details of the serious cutbacks in the day-care program which exist in my area, as well as the educational cutbacks and

the serious problem we have with the ownership of our own economy.

We do not own our own economy any more. The Speaker is aware of that. It is directed by forces outside of this province; and that is where the profits go every year. We can argue about the level of taxation that should apply to corporations. But what is the point in having any tax at all if the profits just drain out of this province day by day?

There are a lot of answers to the problem, a lot of good solid answers. But this government is not prepared to take them. Are they prepared to start repatriating the economy here in Ontario? Not a chance. Are they prepared to enter into joint ventures with corporations to develop our secondary industries, to begin producing the machinery for the mines, or the machinery for the forests? Not likely. They have had 34 years and they have never indicated they wanted to do that. And if they had another 34 years, God forbid, they would not do it either.

We watch our economy dissipate in terms of control.

Mr. Watson: Where would you start?

Mr. Warner: Control south of here. And I mean south of Bay Street.

Mr. Watson: You'd sooner live south of here, would you?

Mr. Warner: No. I like it here, I say to the member for Chatham-Kent. I like it here in Ontario. But does my friend know what I would like even better? An Ontario that has control over its own economy. That is what I would like. And we do not have it. It is controlled by Wall Street and those other magnates—

Mr. Ziemba: Corporate creeps.

Mr. Warner: Magnates or maggots—which-ever way you wish to describe them.

Lastly, Mr. Speaker, once and for all we have to put to rest the silly argument that you have to trade off protection of the environment with protection of jobs. That is sheer nonsense. We can protect the environment in Ontario and create jobs. There is not a member in this assembly who does not realize that.

We can establish the proper kind of criteria for air and water pollution, and in so doing we know we are going to have to create machinery to do that. Why would we not build that machinery here in Ontario and actually foster a brand-new industry, which would be owned and operated by people in Ontario and which would create jobs for people who live in Ontario? In the long run, we not only support the economy in terms of

more jobs but we also protect our environment; we have clean air and water.

It would not matter if the empty seats on the government side were filled, Mr. Speaker. I might as well speak to a blank wall.

I have enjoyed the opportunity of bringing forward my comments and frustrations in this budget debate. I do not have confidence in this government. That is reflected in the budget which was put before us. That budget was a portrait of abject failure. We'll have an election some day—it won't be that far off—and the people of Ontario may decide once and for all that the failures will be out on the street and that there will be a new government committed to health care, committed to developing the economy and committed to getting people back to work—and that's the New Democratic Party.

Mr. Acting Speaker: The member for Chatham-Kent.

Mr. T. P. Reid: I'll give you a hand.

Mr. Watson: Thank you, Mr. Speaker, I rise with pleasure to participate in this debate this afternoon. I should take some exception, I suppose, to the thoughts expressed by the member for Scarborough-Ellesmere. Actually, his recent comments remind me a great deal of the minister who was holding forth and kept saying "In conclusion . . ." and "Finally . . ." and "Lastly." And he lasted and lasted and lasted and lasted.

It is a matter of personal pleasure for me to debate this budget this afternoon. It happens to be exactly six months ago today since I took my seat in this Legislature. I feel much more at home today than I did six months ago. At the first opportunity I had to speak on last year's budget, I said that people here had made me feel at home. I haven't changed my thoughts about that. I do appreciate the welcome that has been afforded me by members on this side of the House and by members opposite. Although once in a while they take me to task, for the most part they have been very kind.

I do want to say a word or two about things in my own riding and to provide an update at the present time. The disaster fund in Dover township is well under way. I understand that some \$40,000 has been raised. Although those opposite would complain about the way in which the disaster fund in this province operates, I happen to think that a dollar-for-dollar system just isn't too bad. A system of going and handing out money on the basis of every time there is some kind of a disaster just wouldn't be fair. After all, if it's your house that gets flooded,

it's a disaster, no matter the number of houses that there are or the number of personal losses.

I would like to congratulate the government on the actions it took following the Dover township flood. By the time I went home on the Thursday following the flood, emergency work on municipal drains had been approved without the final report of an engineer because that work had to be done. We had a commitment from the Minister of Correctional Services (Mr. Walker) to provide inmates to help in the cleanup. It finally dried up enough last week, I'd like to report, that they were out for a couple of days. If it hadn't rained this morning, they would have been back. There is a massive cleanup of the 8,000 acres that were flooded. One never knows where one is going to find a pop bottle or whisky bottle or something of that nature, and they're going for that.

A committee was appointed to investigate what happened with regard to the events before and after, and its report is due any day. The disaster relief fund is under way. All of that was done by the Thursday following the flood. It was maybe for a little bit of press, but it was after the fact when the Leader of the Opposition arrived on Friday and said he was going to ask a lot of questions. He said he had never heard of the fact that the dikes had ever been asked for additional funding, which of course was stretching the truth just a little bit.

I want to say a word about the disaster fund. I attended a concert one night in Chatham which the singers Murray McLaughlan and Dan Hill put on. The net proceeds from that concert were \$10,300. This amount is being matched by the provincial government to give another \$10,300 to that particular fund.

[4:15]

Dealing with the budget specifically, this year our gross provincial product will break through the \$100 billion mark, an achievement that marks many years of careful planning and steady progress. That planning process continues today and, out of it, has emerged my government's economic policy.

Ontario's economic policy has identified five basic economic priorities. The first is the introduction of incentives to speed the integration of a rapidly growing and highly educated work force into productive employment. Another basic priority recognizes the need to continue making progress towards reducing the underlying rate of inflation in Canada, a target that is really the joint

responsibility of all Canadian governments. We certainly all want to see inflation cut down. It tends to be a global affair, but we feel Ontario is doing its share and, in fact, more than its share.

Mr. Ziemba: You're doing nothing.

Mr. Watson: Another is encouragement of a more integrated national economy within Canada. Indeed, many of Ontario's proposals at the first ministers' conference adopted a distinctly national rather than provincial, perspective on this matter. Our fourth priority is to maximize the flow of domestic savings into equity support for Canadian enterprises. Our fifth priority is to improve marketing capabilities and initiatives in order to gain access to foreign markets.

Those priorities are large undertakings alone. Yet, in addition to talking about such things as the Employment Development Fund this afternoon, I would also like to spend a few moments on the other aspects of Ontario's budget, such as a continuing commitment to a balanced budget and our desire to maintain the quality of social services in this province.

One of the difficulties any Treasurer is confronted with is the natural conflict between consuming too many tax dollars on the one hand and failing to provide sufficient funds to discharge the legitimate expenses of government on the other. It seems to me that our current budget is very much in tune with the current social and economic realities. It continues to provide enriched levels of funding to the vital social service programs while remaining faithful to the need for expenditure constraint. The Treasurer's budget calls for total provincial spending in 1979-80 of \$15,558,000,000, an increase of 7.4 per cent over the previous year.

If one sets aside the one-time \$200 million earmarked for the Employment Development Fund, one can see that regular spending is increasing by six per cent this year, down from last year's 6.9 per cent and very much reduced from the spending increases of only a few years ago. Last year alone, spending came in at \$73 million below estimates and, in fact, a saving of \$1.3 billion has been made through program constraints and under-spending during the past three years. Of this amount, some \$300 million was held as net savings that were realized by holding spending below the appropriated estimates.

That legacy of expenditure constraint is one left by the former member for Chatham-Kent and, as I said, I am very proud to be

in this Legislature and to replace Darcy McKeough, who was really the architect.

Mr. Nixon: Whatever happened to him?

Mr. Watson: Darcy is well. I don't know how many companies he is a director of now; I've kind of lost track. But he's still there and he's still a Tory and I expect he will be for a long time.

Mr. Nixon: That's a surprise.

Mr. Ruston: He doesn't like Joe Clark, though.

Mr. Watson: Oh, yes. Joe pays a lot of attention to him.

Mr. Nixon: He's voting for Trudeau.

Mr. Watson: On March 1, 1975, the size of the Ontario public service stood at 87,109, 2.3 per cent of the labour force.

Mr. Nixon: Shame.

Mr. T. P. Reid: What?

Mr. Watson: By December 31, 1978, the government had succeeded in reducing that number to 83,323 or 2.0 per cent.

Mr. Nixon: They put the remainder on contract.

Mr. G. I. Miller: You're cutting out the Indians and leaving the chiefs—that's the big problem.

Mr. Watson: Yes, I used to work for them too and you would think that with all the influence I had I could get a replacement in Kent county.

Mr. Nixon: That was easy money.

Mr. Watson: I haven't even been able to successfully get a replacement for my position in Kent county up until last week and they hired some summer help for that.

Mr. Grande: Maybe you should retire.

Mr. Watson: Maybe I should. The Ontario Youth Employment Program is of interest to me. This budget has committed a little over \$79 million directly for job creation for youth. These moneys will go to creating some expected 70,000 jobs this year for young people in Ontario. Specifically, these jobs will be administered through six basic programs. The one of which I am most knowledgeable is OYEP, the Ontario Youth Employment Program.

Though the program is relatively new—it is on its third year—it is going great. Last year when it started it had to be cut off because of the limiting of funding. The aim is to encourage private industry, especially business and farmers, to provide summer jobs for young people between the ages of 15 and 24.

Mr. Grande: Below the minimum wage, I may add.

Mr. Watson: Under the program the employer will receive \$1.25 an hour from the government towards the student's wage, which, if my calculations are correct, is at least \$3 if the student is over 18 and at least \$2.15 if younger.

Last year the subsidy was increased from \$1.20 to \$1.25. This year there are also some changes which we think are for the better. Employers can now apply for 150 weeks of employment at each business location, regardless of the number of positions created. This ruling differs from previous years, when the employer was restricted to six positions at each business location, even if the duration lasted only six or seven weeks.

The effect of the new rule allows employers to create new work for as little as six weeks, the minimum requirement, and apply for up to 25 employees for that period. There will be situations where this will be of benefit, thus creating more work.

The whole object of the program is two-fold—to benefit both employers and the province's youth by reducing the cost of summer labour to Ontario's farm and business enterprises, while at the same time providing youth with valuable work experience, skills, contracts, references, which will better equip them for full-time participation in the labour force.

I would like to touch on some of the other aspects of our youth program as outlined in the budget. They run all the way from the special summer employment program known as Experience '79, which is in its seventh summer and provides well over 13,000 jobs, to the career action programs, both in industry and in government, which together provide another 6,000 jobs.

The career programs are geared to young people who have left school before graduating. I think these programs are excellent in their attempt to develop marketable work experience so that the young person can confidently answer in his or her first interview; "Yes, I do have some work-related experience."

I think the members of this House are aware that this government is doing its utmost to expand employment opportunities for youth. One important factor has to be kept in mind, and that is, the jobs that we create must be productive and secure ones and they must be created where there is the greatest need. We do not need, nor can we afford, an extensive battery of temporary make-work projects sponsored by this government.

In this respect, it is somewhat ironic that right at this very moment machines may be lying idle because there is no one to operate them. I think the Treasurer's proposal that later this year the province will announce a new program to assist employers directly to hire and train young people in areas of critical skills shortages is an apt one, and one in which I am positive both labour and industry leaders will co-operate with each other and with the government to see this through.

This is particularly noticeable in our area. We are anticipating a great many more jobs created in the southwest due to the Ford involvement and the expansion there. There is a real fear by some of the industries in my riding that some of their skilled help may be siphoned off to the bigger industries in Windsor and they'll be left without the help. I think we have some obligation to get our new apprenticeship program off the ground to get these job creation programs that will create work for our youth moving.

After the evening in which this budget was presented to the Legislature, I heard various remarks by members opposite to the effect that it was a do-nothing budget, one that was bland and lacking in creative new social-program development. Of course, any comment on the budget is likely to be tempered by perspectives and biases and sometimes I guess those are gained by where we happen to sit in this House. However, I hope I can say without bias that from an economic perspective, this budget does seem to accomplish a great deal.

The main and obvious thrust of the budget is steadfast and aggressive support for private industry in its attempt to encourage positive growth within the private sector. I am glad to see such a firm commitment to both increasing employment opportunities as well as our assured provincial tax base.

I am here, as I stated before in this House, a Conservative by choice. The free enterprise factor of this party is one of the things that influenced me in running for this particular government. The government of Ontario, like all governments, finds itself limited by a finite number of dollars available to effect stimulation of our economy. In light of this fact, some difficult decisions had to be made about which industries or sectors of the economy would be beneficiaries of the money made available through the Employment Development Fund.

I consider the decision reached by the government was a sound one. We have decided to stimulate selectively industries in Ontario which have in the past and will continue in the future to be sources of

economic strength and employment opportunity. The automobile assembly and auto parts manufacturing industries are an example. I think we, as a government, can be proud of the results of the \$26-million investment in the new Ford plant at Windsor, and the 2,700 direct jobs or the 7,000 direct and indirect jobs it will create in the Windsor area.

As a bonus, Ford has decided to build a \$150 million aluminum casting plant there at no cost whatsoever to the government. I get a little bit amused at the present federal campaign when this matter is discussed and those from the NDP say they wouldn't have done it there. I'm sure they have a lot of people who voted for them in southwestern Ontario who don't agree with their particular policy at the present time. If they had their way, we would not have had the Ford plant which we helped to build or the Ford aluminum casting plant in Ontario.

Mr. Grande: Why don't you speak for those Tories who voted for you and don't believe it?

Mr. Watson: Well, if the member's people had their way, we just wouldn't have it, and we happen to think it's a boon in our particular part of the province.

The pulp and paper industry is another source of economic strength in employment, especially for those people in northern Ontario. The business cycle of that industry is of an erratic nature. The government of Ontario is prepared to make available to the industry financial opportunities to help them upgrade their processing and pollution abatement facilities. It makes good common sense to assist this industry when after a number of financially bad years they are beginning to show profits for upgrading their processes. We are competitive in the world market place and we must remain so. Our investment guarantees a minimum of \$400 million in new investment in the industry. This investment will help to maintain and enhance the approximately 78,000 jobs that are created by the pulp and paper industry in this province.

[4:30]

The establishment of the Employment Development Fund is an important initiative by the government. It is an indication of the government's flexibility to combine short-range and long-range planning which will result in a progressive stable development of the Ontario economy in the years to come. The fund will help to create employment and assist in the development of skills necessary for the jobs created in the in-

dustry. Ultimately it will help us to increase our exports and decrease our imports.

While incentives to such industries as automotive and pulp and paper manufacturing will be financed through the Employment Development Fund, there are limits to the use of this channel. Other key areas of our economy require alternative encouragement. The mining industry in northern Ontario is one of those industries.

I would like to mention a few other things about the budget that are of concern to me. One is the continued concessions to the hospitality industry. This is of particular importance to those of us in southwestern Ontario where we have so many tourists crossing the border either at Detroit or at Sarnia. With our current devalued dollar and our current adequacy of fuel, it is an encouragement for these people from the United States to come into our province.

With regard to things in the budget that are of specific interest to me, I want to mention the dropping of the gift tax regulations and the removal of the succession duties as they affect people in my riding. Over the past few years—

Mr. Grande: Do you benefit from that?

Mr. Watson: No, I don't benefit from it but there are a lot of people who do benefit from it.

A lot of people in the Chatham-Kent area have become, if I can use the expression, millionaires—not because of themselves but really in spite of themselves, because of what inflation has done to the price of land.

Mr. Nixon: How did Darcy get to be a millionaire?

Mr. Watson: I didn't know he was.

Mr. Grande: How do you represent that riding well, then?

Mr. Watson: The problems of transferring farms from one generation to the next or of giving farms by one generation to the next had been primarily solved through the concessions made to the farming industry with regard to a 10-year forgivable program for succession duties. But the gift tax exemptions in Ontario for farming at \$75,000 got to the point where it really wasn't enough when you tried to transfer a farm from a father to son. After all, the people who are in this situation are in the position of being taxed on their capital gains.

The capital gains tax on land in my riding started at values of up to \$1,000 an acre in 1971 but most of them were at \$600 an acre or thereabouts. Compare that today with land at \$3,000 or \$4,000 an acre. The

capital gains tax, if they want to sell that land, takes care of a considerable amount of the profit that is being made. Removal of the worries concerning the succession duty tax and the ability to give a farm to the next generation is welcomed by many of the people in the agricultural areas.

I realize a lot of people with estates of \$300,000 weren't affected. The father's ability to give a farm to his son and not be limited by the gift tax created a lot of problems. It was possible to do it. The only people who got caught were those not in a position to hire a lawyer or to get competent advice on how to follow the exemptions that were available. So I am particularly pleased with that aspect of the budget.

We in Kent county—and I share Kent county representation with the member for Kent-Elgin (Mr. McGuigan)—would like to put on the record some of the statistics released last week to county council by Barry Fraser, who is the new agricultural representative for Kent county. Every year we estimate the gross value of crops and livestock produced in Kent county. Last year it was estimated at \$186,525,000. For those members from urban centres, the province of Nova Scotia produces around \$100 million gross. At one time Kent county was almost as much as the three maritime provinces put together; they have improved a little bit and we are now about the same as two of the maritime provinces put together.

Mr. Nixon: How are you with fish?

Mr. Watson: How are we with what?

Mr. Nixon: Fish. They have fish down there.

Mr. Watson: We have a little bit of fish coming in, but we don't count it in the agricultural statistics.

Hon. W. Newman: Just because you didn't catch anything last week you shouldn't blame it on anyone else.

Mr. Watson: Are the smelt running? I heard it was too cold to have the smelt running.

Mr. Speaker, the member who represents part of Oxford is here and I have a great confession to make to him. I understand that last year Oxford produced more corn than Kent county. Now when the member for Brant-Oxford-Norfolk looks at the price of corn and at the price of soya beans, he will understand why the acreage in Kent county has changed from corn to soya beans.

Mr. Nixon: Corn was getting close to \$3 this morning.

Mr. Watson: One of these years, if he keeps going, maybe he will get some soya beans, too.

Mr. Ruston: He has them.

Mr. Watson: What the members have to worry about, and that I am concerned with, is these people who have put all this corn in. It is bad enough where they have planted that corn up and down the rows—the soil runs down into the Thames River and we have the benefit of all of that dirt coming downstream. I believe we are going to have to do more in this province to look after the erosion control processes in the rural areas. I know the Minister of Agriculture and Food has this under consideration. It has been a gradual process—

Mr. Nixon: The minister always ploughs a straight furrow; he never ploughs a contour.

Mr. Watson: Well, I am afraid he should turn and plough the contours. Even from that great highway 401, in driving through Oxford—and perhaps I should more appropriately speak to the Minister of the Environment (Mr. Parrott), because I think it is in his riding where it is bad—one can see there are some bad gullies from the storms we have had this year. These people are going to have to realize they are losing tons and tons of good topsoil.

We hear a lot from members opposite about the soil we are selling to people who don't live in this province.

Mr. Nixon: Up in my area you can jump across the Thames River.

Mr. Watson: Those people who are hollering about that had better start being concerned about saving the soil they have on their farms, and not letting it run down into the ditches and the streams and the gullies and all the things that go with that.

I can't rise and get a chance to debate in this House without promoting the events in Kent county in September. The International Ploughing Match will be in Kent county. It will be the biggest and best ever.

I had the opportunity of speaking to the convention of the Ontario Ploughmen's Association this year. I compared this year's ploughing match in Kent county to the birth of a baby and I know that the member for Brant-Oxford-Norfolk will just appreciate this greatly.

We had a little problem in conceiving it; we had a few problems there. We had a little bit of morning sickness getting it going. There have been a few kicking pains now and then. We will likely have a few labour

pains before we get this thing born. But when the International Ploughing Match is born in Kent county on September 25 it is just going to be the biggest and best baby that was ever born.

Mr. Nixon: Trudeau is going to look after the weather.

Mr. Ruston: Is Trudeau there?

Mr. Watson: We are going to have good weather. We have an excellent site. I am not saying we can't get into wet conditions, but this is located on prime land. The tented city is one field; not a fence, not a ditch in it; 130 acres of sod—and 130 acres of sod is not easy to come by in Kent county. Seriously, we just want everybody to come down to Kent to this event.

One of the things I have already viewed and which will be a tremendous attraction is a corn mural made entirely from corncobs. The coloured corncobs were sawed in half and split lengthwise. They form a mural eight feet high and 60 feet long, depicting the early pioneer history of Kent county. It is a tremendous work of art; it will be on the outside of the country exhibit building at the ploughing match. I know you will see pictures of it and everything else, but it is just a tremendous effort by the local people. It is already completed and ready to go up this fall. So we will be looking forward to seeing you.

It has been a pleasure to rise and speak on the budget this afternoon. I could go on and cover a lot of things. I know there are some things in the budget which my constituents do not like very much—the increases in taxes and increases in some other things. But the people in my constituency also realize that there's no such thing in this world as a free lunch, that things have to be paid for. I think on balance this budget puts the raising of money in areas that are acceptable. None of us likes increases but the money has to be raised somewhere.

Mr. Nixon: Mr. Speaker, I was very glad to hear the member for Chatham-Kent speak. He has a farm background and so do I.

Mr. Watson: I wondered why you were waiting.

Mr. Nixon: I would be here, anyway. But I was very glad to hear his remarks because I know, as a former employee of the ministry, it must cast a slightly different aura on what he sees as he takes part in discussions, public and private, with the minister and his former colleagues, from his new and very eminent position.

Mr. Watson: You are right.

Mr. Nixon: I am sure that is so. Even your brother would have to sit up and take notice now and I think that is a very interesting development. I am very glad the Minister of Agriculture and Food (Mr. W. Newman) is here because there are certain matters pertaining to agriculture that must concern us all.

We are undergoing a few changes on our farm in Brant county. We have about 260 acres there; it has been in the family since about 1840 so things do have to change. The member for Chatham-Kent mentioned the ratio of corn and soya beans. On our farm this year, we are putting in about 60 acres of beans but only about 30 acres of corn. We also have 30 acres of fall wheat and about 50 acres of hay. That, balanced off with a few burdocks, is the rotation on which we are trying to make a living. As a matter of fact, we sold a dairy herd in 1971 for a number of reasons, not the least of which was that I found milking cows did not really mix with politics as conveniently as I had hoped.

And it was a convenient time to sell for a number of reasons. I have never really felt that milk quota ought to be negotiable, but, since the government opposite which I have tried to defeat so often had insisted that it be negotiable, I thought I might as well negotiate it. It turned out to be a fairly smart thing to do at the time. We then bought some beef cows and, because of the inadequate policies of the ministry here in the province over a number of years, the price has been very seriously depressed. The minister opposite used to send me a few cheques to make up at least part of the difference in the loss in the cow-calf operation that we ran.

Mr. Watson: That program saved the industry, didn't it?

Mr. Nixon: Once again, circumstances being such as they are, we felt this was a reasonable time to sell the herd. The last animal will be leaving Woodview Farm in about two weeks' time, not really deeply regretted by my wife who finds they always get out when I am in Toronto. Many is the time she has run up and down the concession with the help of neighbours to get them back in.

Mr. Williams: You're not a politician, Nixon. You're a cattle baron.

Mr. Nixon: The fact is that the fences are in fairly good shape because the minister's predecessor made some contributions to their financing through the capital grants program. There is a well-known politician in Canada who says farmers complain quite a lot, but in the past there's been a fairly good capital program here—not as good as in Quebec, as I am sure the members would all agree, and it

seems to have run out of funds lately. I have just been talking to the minister about the re-establishment of a program which would enable farmers, young and old, to come forward with some new programs emphasizing, I think, water control conservation—which the honourable member was talking about—and certainly I look forward to it.

[4:45]

I am sure the honourable members are aware that my dad got involved in politics as a farmer and the party was called the United Farmers of Ontario. If you refer to the UFO these days, people tend to think you're talking about unidentified flying objects, but in 1919, the people in their wisdom reduced the Conservatives to third-party status, something they are going to experience again in the next 18 months.

The Liberals were the official opposition. Sitting in the seats of responsibility, power and government was a combination made up largely of farmers with a handful of Labour Party members from a few of the urban areas. Believe it or not, there wasn't a single lawyer elected in that whole group, and so the government was able to carry on its business without the benefit of these people intruding—although it was necessary to open a seat and elect a lawyer so there would be an Attorney General who was learned in the law.

The government was extremely successful and did many innovative things.

Mr. Watson: Did it work for the farmers?

Mr. Nixon: Not specifically for the farmers, although that was certainly close to them. It is unfortunate, of course, that after the government was defeated in 1923, the Treasurer spent a short time in Kingston Penitentiary for his sins of omission and commission. It is a very interesting tale.

Actually, he was a very worthy gentleman who came from the Stratford area. Evidently, some of the money that had come from the cashing of certain bonds which had been floated by the previous Conservative administration had inadvertently found its way into his personal account. It had a very clear and legitimate explanation, but somehow or other the judge felt it wasn't satisfactory, although in later years there was certainly an eminent justification of the actions, which were quite reasonable, as seen from the position of the times.

I should just mention that my dad was elected in 1919, and at his death in 1961 I succeeded him in the by-election. Between the two of us, we have represented the constituency without a break for 60 years.

Applause.

Mr. Nixon: I appreciate the thunderous applause from my four Tory friends who found their way by mistake in here this afternoon. I can assure them I hope we can continue the record of service to the people at least equally as long.

I remember my dad, who was part of two administrations including for a brief time one of his own, being chided by Les Frost during one of the debates. Les Frost finally said to him, "What have you ever done for the people of Brant?" My dad was able to respond. "I have defeated more Conservatives than anybody in Canada, and that has given me a good deal of satisfaction." This was widely reported in Brant, and I will tell the House they all agreed.

All of those defeated Tories went on to accomplish great things. They have been clerks of the court and there were other appointments, including one who was recently retired from the liquor store. They have all been able to serve the community in one way or another. My dad used to say sometimes he had the impression in that constituency that you won by losing. However, that doesn't happen so much any more, and I think that's a good thing.

I was going to point out to my two honourable friends who are now whispering to each other and who form probably a good deal of the agricultural opinion in the Conservative benches, that while the member for Chatham-Kent has been concerned, perhaps, about the level of the agricultural service, he did not point out in his criticism of the budget that although the general budget has gone up 7.4 per cent, the budget of the Ministry of Agriculture and Food has gone up by only 1.5 per cent. I don't really think this reflects the need of the agricultural economy.

I think instead it indicates the Minister of Agriculture and Food has not been aggressive enough in dealing with his colleagues in getting the farmers' share of this \$15 billion that he and his colleagues are asking us to approve at the present time.

I know—and he has just confirmed it in certain discussions that we could definitely use more money in support of our capital grant program. Certainly our drainage program runs out of capital each year, as the farmers, on the advice of agricultural representatives and other learned people who are anxious to help the farmers, and are paid so to do, bring forward their plans for further drainage to increase their productivity and the conservation of their soil.

It is really a deep disappointment when applications are made and the money is de-

layed until the next fiscal year simply because the Legislature has not seen fit to fund these important programs sufficiently.

I say again it does not make sense that the budget would go up by 7.4 per cent but that the Ministry of Agriculture and Food estimates would go up by only 1.5 per cent. I know there is some indication that even in the agriculture station near Simcoe—which the minister has visited—there could be an increase in the number of researchers available there. There are many programs and projects that have been postponed, or at least are not going forward at the level at which they should, simply because of the cutbacks or the inadequate funding at the hands of the minister.

In that tobacco area—the Fox Sand area, I guess it's known as—they have had very successful experiments in growing peanuts. The peanuts are of a better quality than the American peanuts. The growers feel they would like the support to go forward with a program that would utilize the growing facilities in the area.

We all know the area is extremely productive as far as tobacco and certain other crops are concerned. The farmers, through their marketing board, have cut back on the acreage considerably.

Mr. Speaker: Cheese too.

Mr. Nixon: What?

Mr. Speaker: Cheese too?

Mr. Nixon: Mr. Speaker, I find it difficult to cope with that kind of interjection. Actually, there isn't any cheese from down there.

I will not direct this to the Speaker, but one time in his presence I mentioned that the village of Bright, in my constituency, about 20 miles north of the main tobacco area, has an excellent cheese factory. He suggested, out of the generosity of his heart, that perhaps I, as the member, might provide some of this fine old cheddar from the Bright cheese factory for Mr. Speaker's table. I have been a bit remiss in doing this. I will take his interjection as further warning that I had better deliver the goods or not brag about the quality of the product quite so much.

Mr. Young: Maybe he'd be satisfied with the peanuts.

Mr. Nixon: Anyway, Mr. Speaker, I am concerned about the Ministry of Agriculture and Food's budget as it is put forward in the Ontario Budget, 1979, this blue-covered volume which I hold in my hand and which we are asked eventually to support.

I suppose I have also developed a bit of a reputation around here as a skinflint. I have not voted against raises in indemnity for

members of the Legislature, and I thought I would say something about that. With inflation the way it is, I have found as a rule of thumb that a factor of five is operative in the costs of goods and services, compared with when I was first elected.

Just a few night ago I had the great pleasure of taking my wife and my two daughters to dinner downtown and to the O'Keefe Centre. By the time we got home that night I realized I had spent about \$170 on these three fine ladies. The seats for *Man of La Mancha* were in row Z, and they cost \$20 each. The dinner, not the best in town but a very nice one, cost us about \$70 to \$80 for the four of us.

I regained my equanimity when I realized that if you just divide that by five that's about the same cost as when I was first elected 17 or 18 years ago. What is \$150 to \$170, depending on whether you count the gas et cetera, was about a \$30 evening, and not too far out of line.

When I was first elected, the indemnity was \$5,000 and the expense allowance was \$2,000. Now, if we were to apply that factor of five, we as private members should be getting, just to keep up with that inflation over those years, about \$25,000 indemnity and about \$10,000 expenses.

We are criticized from time to time for raising our own pay, but even though our last raise of four per cent went into effect just six or eight months ago it is obvious that we are not being paid as well as we were when I was first elected.

Mr. Watson: You're not worth as much.

Mr. Nixon: I used to teach school, Mr. Speaker, as you know, and I have been quite satisfied to equate what I was earning here with my friends in the teaching profession. I am here to report to you, sir, that the able men and women who are still my friends who stuck with the profession instead of going into public life are now, I would say, if not substantially, markedly, immeasurably better rewarded for their efforts than I am. When I discuss this with them they say that the teaching job is tougher than it was in my day. Keeping things in control and responding to all the paperwork demanded by the elaborate bureaucracy of Bill Davis' county school boards makes the job even tougher than it was.

The other area you heard me comment on from time to time is the tendency of members of the government, and to be fair, members of this Legislature, to travel at public expense to all parts of the globe. I have always felt that when I travel it is

eminently justified. This is a tendency, I suppose, for an individual to make that sort of judgement. I know that my colleagues in the Liberal Party as well as the other parties, get mighty sick of me complaining about this from time to time.

Mr. Conway: Never.

Mr. Nixon: I even indicated to you, sir, that the recent junket of representatives from all parties to Barbados to see what they're doing down there in the winter weather was something less than a trip with which I was enthusiastically in support. My colleagues went along, and that's their judgement, but I raise this simply because in my hand, just a few moments ago, was placed a book entitled, *Reform Government in the Dominion: The Pic-Nic Speeches*. On page 120, the then Prime Minister, Honourable Alex Mackenzie, a great Grit from the Sarnia area—and a Baptist too, my grandfather used to tell me—was making a speech in Orangeville on September 18, 1877. Since there's no limit to this debate I thought I would read a couple of paragraphs from the right honourable gentleman's remarks. I quote from his speech:

"Sir John Macdonald has ventured within the past few days to speak in a somewhat personal manner of an offence alleged against myself. He told the people of Amherstburg that when I went to England in 1875 I want there for recreation, but that you had to pay the expenses of the journey; and another gentleman, Mr. W. H. Gibbs, stated that as my wife accompanied me, I must have paid her expenses also. (Laughter.) This is the style of speaking indulged in by these gentlemen who call themselves the leading statesmen of this country and I sincerely condole with the Conservative gentlemen present who are induced to follow through Coventry such leaders as these. But, sir, it might be worthwhile, as Sir John Macdonald has questioned this matter, to tell you the real state of the case. I endeavour invariably to avoid doing anything that would be personally offensive to my political opponents. I respect Conservative opinions when I know that they are honestly held. I respect a Conservative leader who tries to give effect to these opinions by legislation and who tries to argue Liberals into a belief in Conservative principles. But, sir, when any person occupying the position of leader of the Conservative Party travels outside of the record, as Sir John does in this instance, I think it but fair that I should show the contrast between

the travelling expenses of his administration and those of the present administration.

"In 1868, one of them visited England; another in 1868-69; two others in 1869-70; another in 1871 and another in 1873-74. These five visits to England are shown by the public accounts to have cost \$20,040.80, or an average of \$4,008.16 per visit. Under the new regime there have been four visits to England at an entire cost of \$5,461.72 or an average of \$1,820 per visit. (Cheers.) [5:00]

"You can see from the evidence who has been burdening the country by visiting England. Besides, I was not visiting England on private affairs. I had none to attend to there. My health was as good then as it is now; and I may say to them that I feel perfectly confident that my health will be quite strong enough for a good many campaigns in the future. (Cheers and laughter.)"

Mr. Watson: How much would it cost today?

Mr. Nixon: I thought, Mr. Speaker, you would be interested in that. It is much the same in the House and in the Parliament of Canada as it was then. Everybody thinks his travels are justified and that everyone else's are not only unjustified but unduly expensive.

Mr. Watson: Put your inflation factor to it.

Mr. Nixon: So I'm in the grand tradition, I suppose, but I still think we ought to cut back on these expenditures.

However, I do feel when we look at the budget that is calling for the expenditure of \$15 million, it does cover a wide variety of important matters, perhaps even more important than the one I have just referred to, and I want to speak briefly about them.

The first has to do with the controversy over the use of atomic energy in this province. I don't want to deal with this in any way extensively, but simply to express my own views, which, Mr. Speaker, I should assure you, are very much in support of the concept of the utilization of atomic energy for the production of electricity.

I have the feeling—in my judgement—that unless we utilize this Ontario and Canadian resource we will be selling short the opportunities for our people. That does not mean I do not have a very strong concern about the process and procedure whereby we generate the electricity, and, perhaps even more importantly, how we control Ontario Hydro, which has the responsibility, given to it by this House, to provide electrical energy at cost.

I have been involved in this matter really, since I was elected. I recall very clearly the

decisions made by the Honourable Robert Macaulay and, following him, the Honourable John Simonett as to our commitment to the atomic program which has now become so large and which looms so large in the consciousness of the people of this province.

At the time—and I can remember it as if it were yesterday—the announcement was made that the large Pickering plant was going to be built very close to this urban and urbanizing centre, there was some small question put forward, not in the Legislature but in the community, that it might be better if this plant were built away from the centre of population and the electricity transmitted to the urban area. Although the answer was not given in so many words, it was implicit in the government's policy that it wanted to show its confidence in the Candu procedure and technology by building the plant close to a centre of population, indicating its confidence that there could be and would be no threat, either perceived or actual, inherent in the process.

I still believe they were correct in that decision and that they are going to be seen to be correct in the long term. When we look at the probabilities—and that is a misleading word—of some sort of an incident or accident occurring which would impinge on the populace, we are assured by those who know about these things that the probability is vanishingly small.

One of the most elaborate studies of this was done in the United States in a paper which has come to be called WASH 1400, for reasons I won't bore you with, Mr. Speaker, and which was done at the behest of the atomic energy control authorities in the United States. The statistics associated with probability become so abstruse they are almost meaningless to people like ourselves, standing in the stead of the citizens who must be concerned as well.

We not only have the responsibility to allay our concerns, but we have the powers, as members of this Legislature, to demand the information as well as the best judgement, not only of the people who are hired by us through Hydro but of others in the academic community here, elsewhere in Canada and, really, around the world.

I was interested to hear at least one of the statistics, meaningless though it might be, that the possibility—probability is the word that is used—of an accident or incident having an effect of a bad nature on an individual living within a radius of 25 miles of one of these reactors is something like one in five billion in each year. The chance of being hit by lightning in the same area is one in

two million. Both of those ratios are almost meaningless.

In our committee we get to the point where we say if there is a chance of that happening, then of course the big thing is how is it to be prevented. We want that explained as carefully as possible to us as members of the select committee on Hydro affairs. If something does happen—God forbid—notwithstanding the probabilities, what are we going to do about it? Because if there is a major release of radioactive energy or radioactive particles, then obviously the people nearby must get out of the way.

It is quite interesting and educational to read the uncensored comments of the American officials as they discussed this matter with one another during the incident at the Three Mile Island plant near Harrisburg, Pennsylvania. These were federal officials who had the final authority, in conjunction with the governor of Pennsylvania, in deciding whether evacuation should take place and what action would be taken to protect the populace.

The part that concerned me was the inadequacy of the information given to them upon which they should base their decision. The other thing, which is probably the most important of all, was the statement reiterated by two or three of the officials that the accident was one which was unexpected.

I still feel that Canada is far ahead of the United States in this, and there is every reason to believe that feeling is justified, but there is the feeling that our experts, atomic and otherwise, with the aid of their outstanding mental abilities, plus the computers and machinery and background technology available to them, which is practically unlimited, must assess every possibility and every combination of possibilities so that an incident—I prefer to call it that—as it comes along can be fitted into a category of expectation. It might not have happened precisely before, but at least the experts should be able to say to themselves, "Yes, we have considered this and we know what is the worst that can happen and how it is best contained and what procedures are best to control it."

The incident at Three Mile Island, if it has a lesson for me, is that the experts down there certainly had not considered the whole range of possibilities. It was almost as if they were flying in an airplane and something entirely unexpected, with which they were not trained to cope, had occurred.

It is interesting also how often the comparison and analogy with flying an airplane does occur. We had the president of the

Atomic Energy Control Board for Canada before our committee and the question was asked whether in the last analysis it is up to him or his authorities to move into an atomic station anywhere in Canada where problems seem to be apparent and to finally take over the control. The analogy once again was that it would be almost like the president of Air Canada moving in from the passenger section and take over the controls of an airplane when problems ensue.

On the other hand, that is exactly what happened at Three Mile Island in the United States. The nuclear control regulatory board there—I should be able to give you its exact name, Mr. Speaker, but I guess it doesn't make any difference—did move in and took over control under those circumstances. There is some indication those people who were trained and had the authority of the control board to operate that atomic plant were less than competent when it came to the pressure and emergency of the situation.

Another figure that impressed me at the time was that there were five people on shift at the Three Mile Island plant when the incident occurred about four in the morning. The same shift at the Pickering plant would have about 100 people on it. It is an indication perhaps of the different approach we have to the operation and the safety responsibilities.

I'm not in a position to be knowledgeable enough to criticize the American experience. I have a feeling that the information we receive from Ontario Hydro and other sources tends to emphasize how better prepared, how better engineered we are in similar circumstances. Up until now, I can assure you, Mr. Speaker, from my point of view I've been quite satisfied that is the case.

As a member of that committee I feel, however, that I stand in the place of any citizen of Ontario who would very much like to have the officials before him for an unlimited period of time and ask any questions his ability and his research would permit him to ask. The officials, whether from Hydro, the Atomic Energy Control Board or some other group, are in a position where they must answer to the best of their ability, because in fact the people are asking the question.

When we make a commitment for the utilization of atomic power, it carries with it so many ramifications for the future of our community that a person can really be a bit nonplussed, if not appalled, to know that the radioactivity of the spent fuel is at an extremely high level, is extremely dangerous and must be contained and controlled for up to 250,000 years. So far we leave this stuff

at the bottom of a huge swimming pool. As long as it's covered by water, there is no emerging radioactivity that is of any concern, but eventually disposition of the radioactive fuel must be accomplished.

Dr. Arthur Porter, in his interim report on this matter, indicated that if we do not come to grips with this matter and come to a solution which is proved to be workable within the next short number of years, about five years, it will be necessary for us to begin the winding down and eventual abandonment of our atomic goals and commitments.

I personally think that the answer is going to be found in the disposition of this highly radioactive material in rock vaults deep down in the precambrian shield. This of course gives rise to political problems that the provincial secretary, who is honouring me with his attention right now, knows about. It is difficult to persuade communities or areas on the precambrian shield to even allow the kind of research that is necessary to drill down to see what the rock is like and if vaults can be constructed. Nobody wants to accept that kind of radioactive storage, particularly when it is made clear the radioactivity is going to continue at a dangerous level for a quarter of a million years.

I don't have to assure a thoughtful and philosophical person like you, Mr. Speaker, that the world and civilization as we know it, will be completely changed if it exists at all—by that time. There are those who have suggested that we may well even have to develop some sort of a priesthood of people who guard the access to these storage vaults, whether or not they know what they are guarding. It gives rise to the sorts of things that may lead to some very interesting science fiction, except that this is science fact.

At our meeting on Friday—and this was discussed in the question period today—my colleague and leader brought forward information which had come into his hands the previous day. It ostensibly came from an employee of Ontario Hydro or a person very knowledgeable about what went on within the facilities of the Bruce atomic plant. He indicated in his letter, which is now public, that he personally had a concern for the safety of not only the workers but the community around. He brought forward accident or incident reports in their separate parts specifically parallel with what happened at Three Mile Island. He said, "These have all happened, fortunately never at the same time. They have all been properly controlled and administered by the usual procedures undertaken by Ontario Hydro." But he felt the public should know that if these things—and God forbid—

happened at the same time, we would have an incident like Three Mile Island. He felt the public should know about it.

[5:15]

My colleague and leader consulted with me and others as to what should be done about it. It may be that in the Premier's view this should have just been thrown in the waste basket as material that had come from some crank. I don't agree with that at all. I saw the material. Obviously the incident reports were authentic. The covering letter was eminently sensible. I can assure members that neither I nor any other member of my caucus knows who this person is and we have never spoken to him, as far as I know. But he is from that area and he had the good sense to approach his local member, the member for Grey-Bruce (Mr. Sargent), and it was conveyed through him to my leader, who put it before the committee the next day.

I can understand quite readily the concern that my colleagues on the committee, in the other two parties particularly, would have. They didn't have notice of this and how could they have? The Leader of the Opposition had the material mimeographed and a file of it put before every member and he stated clearly: "I can't make a judgement on this but as a member of this Legislature I have done what I feel is the proper thing. I have put it here." We had discussed this previously, and my colleague who is the energy critic for our party, the member for Halton-Burlington (Mr. Reed), made a motion that the committee review the matter without delay.

The argument was put that surely Hydro ought to have a chance to review it and we all agreed that was so. I understand that with the concurrence of all people concerned, the steering committee which I am a member, in place of the member for Halton-Burlington, who is not available today, is going to continue with this discussion Thursday next.

Ontario Hydro is going to examine that material and tell the standing committee what their view is. I don't really have to issue a caution because I have a good deal of confidence in their views and their moderation, but I would ask that they consider that material as being put forward from the very best of motives. They should consider that material is before the committee because there was not another reasonable alternative, short of raising it in the Legislature and tabling the material. That might have been an alternative.

The Premier seemed to suggest today it should have been discarded, if my colleague

had shown the kind of responsibility the Premier recognizes and admires. I reject that out of hand. I would just say to those people who are interested in this—and all of us must be, whether or not we allow it in detail—it is not our aim as an opposition party or as members of that committee to try to make Hydro look bad. Far from it. We have mentioned repeatedly our high regard for the officials of Hydro, but we want to be sure we are getting all the information. We have no doubt the information we get is correct, but we want all of it that is pertinent. If Hydro does their job as I see them doing it, they will certainly approach that report and its covering letter, fact by fact, indicate what their response was and indicate their overall view as to whether it offers any kind of a threat to the community at large or the people who work in their plants.

I was quite interested in hearing the report of the four people associated with Hydro who went down to observe the Three Mile Island incident. They came back with many assurances that there was never any time when the public was exposed or might be exposed. Yet when the question was asked, it became apparent at least two workers in the plant there had been exposed to radiation at a level considerably higher than that which is acceptable. The idea that if it happens to people in the plant it doesn't count—certainly it's not fair to indicate they don't think it's important, but the separation of the people in the plant from those outside the plant is not as important perhaps to laymen, like ourselves on the committee, as it is to the people in Hydro or to the officials at the Three Mile Island plant.

I think the meeting scheduled for Thursday morning will be an important one. One of the most regrettable things that could happen would be if observers of any political persuasion or Ontario Hydro allow themselves to fall into some misapprehension that the member for Hamilton West put that information before the committee in any way to embarrass the government or to detract from the accomplishments of Ontario Hydro and, really, the government as a whole, in this connection. But it is our job, as members of that committee, not to be easily convinced of anything and not to respond to a kind of a slur on our integrity which might otherwise detract from our efficiency and usefulness in this connection.

I have been around here quite a while, as have you, Mr. Speaker, and I was extremely interested in the incident at the Bruce atomic plant reported over the weekend. In an effort

to dislodge the uranium which had become jammed in the atomic reactor, two workmen were exposed to a high level of radiation—at least, higher than is acceptable under our regulations. I know there is lots of leeway there and there is no reason to expect, if the workmen are kept away from radiation for a substantial period of time, there will be any bad effects on them. We trust that this is so.

But I can remember, in earlier debates about Candu, when I was one of the critics of the government policy at the time, substantial concern being expressed by the world atomic community that Canada's efforts to have a reactor which could be fuelled without shutting it down was an unrealistic aim. It is one of the greatest technological accomplishments in science that the Candu reactor, unlike those in other countries, and certainly unlike the American reactor, can be refuelled without shutting it down.

But the technology is very complex; the machinery must be extremely precise; and, as has happened in this instance, the refuelling procedure caused a jam in the fuel and the workmen, in attempting to dislodge this jammed fuel, were themselves exposed to radioactivity.

It is interesting to note that for every hour one of these reactors is not operating, it costs \$78,000—I trust that figure is exactly correct—\$78,000 to make up the energy with a coal-fired generator. So, if you multiply \$78,000 by 24 hours, it costs close to \$2 million a day while the reactor is not operating. We are not too concerned with those costs because we have alternatives. That has been another debate. We have all sorts of alternatives here to generate the electricity. But the atomic reactors, once they are built and operating, and they are extremely expensive and complex to build, are far more efficient and far more economical than any other method of power generation except falling water—for example, the water at Niagara Falls or elsewhere.

Well, Mr. Speaker, there have been a number of matters that I wanted to bring to your attention. There is one more I want to speak to briefly which, although it has province-wide connotations, is a problem we are experiencing in the city of Brantford in the county of Brant. It has to do with the policy of cutting back the money for hospitals in support of active treatment beds.

I can't deal with this in great detail other than to say to you, sir, that the government policy has been to reduce the number of active treatment beds to four per thousand and, a year or 18 months from now, that figure will be 3.5 per thousand. This has

been debated by people far more knowledgeable than myself. I can't comment on that other than to say that the average across Canada is considerably greater than the four per thousand that represents our primary goal, not our final goal. If the Minister of Health (Mr. Timbrell) is successful in this cutback, we are going to find ourselves provided with a far lower level of active treatment beds than our fellow Canadians in the other provinces. I find this regrettable.

In our own case in Brantford, the cutback is substantial and the responsible authorities in our own area, particularly the members of the Brant Health Council, have used rather extreme language to describe the results of the cutback if it is allowed to continue at the level that is presently directed.

The health council itself is relatively new. When it was first appointed, I was somewhat critical of it. I remain so, not on the basis of the members of the council, who themselves are outstanding men and women of the community, but by virtue of the fact that they are called upon to do the dirty work for the Ministry of Health. By that, I mean they are called upon to effectuate the financial cutbacks which are so unpopular—and properly so—in the community itself.

We did not have a health council in the palmy days when money was not in short supply and expansions to hospitals and facilities were announced from Queen's Park. The ribbon was cut by the Minister of Health or the Premier or some other senior member who might come along to do the job. Now that we are in an area where somehow there has been an oversupply of hospital beds, according to the Minister of Health, and the policy is in the downgrading direction, then the dirty work, if I can refer to it that way, is done by local people.

It does not seem fair to me politically that these people should have to stand the criticism from their fellow citizens who see the health council as the group which must cut back hospital beds. The Minister of Health can say, "I am not doing it. I am simply telling you that you must reduce the cost of your hospital facilities by a certain amount, and you can cut it back any way you want." That is not the kind of local autonomy we had in mind some years ago when local autonomy became a cornerstone of the philosophy of our party.

Mr. Speaker, I know you yourself are very much committed to that cornerstone as well as the other stones in the philosophy and platform of liberalism. I appreciate the fact that you are nodding your head. I

wanted to bring this forward because in a recent visit to Brantford when the Treasurer was approached by a number of citizens, indicating their grave concern about this cutback, he indicated that he knew his colleague, the Minister of Health, and the other members of the ministry would certainly not support a policy which was going to depreciate the quality of health care in the community in any serious way.

The members of the health council have publicly stated that this policy is doing just that. I understand that the chairmen of the various hospital boards—there are four of them involved—met with representatives of the health council and with the Minister of Health on Friday last for many hours. When I discussed the meeting with the Minister of Health before it took place, he said, "I want to get them in there, close the door and, if necessary, send out for pizza until we come up with some mutually agreeable program." There has been no announcement of such an agreement.

I wanted to take this opportunity in the discussion of the budget to indicate what a concern it is for me as a locally elected member that the cutback policy is going to have such a severe and deleterious effect on the services that have been built over many years in the city of Brantford and in the county of Brant. Long before the Minister of Health in the Tory government got control of our budget and of every decision that is made there, the people of that area had raised the money themselves and taken the initiative through their own democratically elected board to build these hospital facilities, and they are second to none across the province.

I have visited people in the Toronto General Hospital—and I know they are upgrading now too—and I have gone in there and seen extremely ill people, four and six to a room with just a couple of curtains around. I do not know how the people in this town put up with the inadequate hospital facilities here. They may have the best doctors in the world but we at least were better provided through our own initiative with hospital facilities than they were in this town. The imbalance of the planning also concerned me. For years we would drive down University Avenue and find a completely modern hospital abandoned and empty. It was sitting there wastefully for these many years. I see it is now being resurrected as a chronic care facility.

Just last week on the very day when the people in Brantford through their health council were saying that our hospital services were being so severely damaged, the Minister of Culture and Recreation (Mr. Baetz) got up

and announced a \$1 million grant for a cat-and-dog facility here in the city. I suppose the politics of being critical of cats and dogs is questionable, but when it is compared with providing facilities for people one can be sure that any sensible person, at least in my area, would say we ought to go easy on cats and dogs and make some of that money in Wintario, which is guarded by that lion, the Minister of Culture and Recreation, available for the use of people and the provision of their hospital services.

[5:30]

I am not sure whether in the last analysis, when we deal with this budget some time in December, I will be supporting a motion in support of it or not. I presume that I may, if the House survives until then. I think, however, there are going to be many people in this House looking at the results of the federal election on May 22 and wondering what it will do to the political situation here in the province.

Bill Davis is obviously looking for some legitimate reason—and maybe an illegitimate reason—to go to the people. I know he doesn't like running a government where his opponents far outnumber—not only in their numbers but in their ability—his supporters. I have a feeling that if the pollsters he hires in Detroit ever give him a report indicating he might get a majority on some issue or the other then this House will not last very long.

As long, however, as he has the feeling—and it was a very sensible feeling indeed—that the people are simply looking for a chance to replace this Conservative government with a Liberal one, one that historically has kept in mind the taxpayers and the provision of adequate services, health and otherwise, then I suppose he will not risk an election until he must.

I hope to have a chance to address you, Mr. Speaker, in this debate next year as well. I look forward to that, and I hope and pray that the financial basis of the province is improved by that time and we are not facing once again a \$1.7 billion deficit and the irresponsible allocation of our scarce resources which have led to the criticisms in my speech this afternoon.

Mr. Swart: Mr. Speaker, I am pleased to rise to take part in this debate. I am not going to deal, at any great length at least, with the items that are dealt with in the budget. Rather, I want to spend most of my time commenting on a matter that is not dealt with in the budget and which I feel should have been dealt with in the budget. That is the subject of some ad hoc control

over prices; some measures to deal with the tremendous price escalation that is taking place in our society. All the statistics bear this out and there can be no question about this, price escalations are now exceeding the average increase in wages and salaries; price escalations are causing the cost of living, particularly in the essential areas, to increase at a tremendous pace.

The most serious, of course, is the increase in the price of food, which has gone up 21 per cent in the last year. But there are many others, and many of them are just as startling or even more so; whether it is in other wholesale prices, whether it is in building products, whether it is in land prices for building lots. In the end it matters not where the increases take place, because in the end they are passed on to the consumer.

The consumer in this province is not in an enviable position compared to most other democracies in the world. Our standard of living has traditionally been the second highest, over many decades, the second highest in those democracies in the western world—the United States has traditionally been first; but that average standard of living now, as I am sure everyone here knows, is down to fifth or sixth place and is rapidly moving down, perhaps to even tenth place. The standard of living of this nation and the United States is on the same kind of a skid compared to the rest of the world.

That skidding in the economy has brought about a condition where the Canadian dollar has been dramatically reduced compared to most other currencies in the world. It has skidded, in the last two years, something like 80 per cent compared to the Japanese yen. It has gone down some 60 per cent compared to West Germany. It's even gone down almost 30 per cent compared to what we like to think of as the depressed nations of Italy and England. It's dropped almost 30 per cent in the last two years compared to those countries.

I hear the member over on that side of the House almost poking fun at what is happening in England today. Yet apparently world confidence in the British nation is still higher than it is in Canada in terms of the extent to which our dollar value has been reduced.

Mr. Nixon: Jeremy Thorpe has maintained that confidence.

Mr. Swart: I wouldn't have thought the member would want to raise that name at this time.

Mr. Nixon: Don't you think he should have a trial before he's found guilty?

Mr. Swart: I'm not sure he has retained, in every respect, the confidence of the people in England.

Mr. Nixon: A very active chap.

Mr. Ruston: British justice is what you should be for.

Mr. Swart: Mr. Speaker, the result of the depreciation of the Canadian dollar relative to all other democracies in the western world has meant the cost of goods we must import has gone up rather dramatically.

This has been complicated by the fact there have been no steps taken, either by the Canadian government or the Ontario government, to produce more of the goods ourselves. We recognize there are certain food products we have to import from the southern United States or elsewhere, but we really have not taken any steps in other areas to make ourselves more self-sufficient, whether it's in manufactured goods or in the general field of food. The statistics all bear this out; the Canadian Federation of Agriculture, the Ontario Federation of Agriculture and Statistics Canada all bear this out.

That is part of the reason our prices have escalated to the degree they have. This, as I think we know, and as was mentioned in debate the other night, has hurt those in the lower income levels, those who spend most of their money on food. I think this is being recognized by all sides of the House.

I have before me the comments of the Minister of Consumer and Commercial Relations (Mr. Drea) in debate in this House last December 13. I was almost surprised at the concern he expressed at that time; and I am more surprised that if he had that kind of concern he's done nothing about it since that time.

He said this: "I will be quite frank with you, I go through supermarkets—and I know something about wage scales in this province, I know something about take-home pay; I am talking about average prices—I go through supermarkets and I say to the honourable members that quite often I just shake my head; I don't know how families make it.

"I often wonder what it would be like if I were in the position I was in perhaps 15 years ago, with a young family of three, which makes it a Canadian family of five and which is neither large nor small,"—that is now quite a bit above the average—"when I see those prices, even with today's wages and all the other things that are there, quite frankly I just shake my head. I am convinced there are great numbers of mothers and fathers in this province making extraordinary

sacrifices to raise their families. And we're just talking about the basics.

"I think it is very unfair to suggest that labour, whether we mean a farmer, a salaried or an hourly-paid worker, should not have the right to respond to that. If it continues, there is only one logical response: You have to get more money to cope." That's the end of the quotation on that point.

When there was an intervention by the member for Erie, he went on to say: "That's what I was just coming to: what we will be doing. One of the reassurances in this is the question of monitoring the prices, certainly in regard to something as basic as food. It also comes at a very critical time because of the demise of the Canadian dollar . . .

"What we intend to do with the monitoring of food prices is to be able to take the producer, through his marketing board or whatever organization he sells through—and most do sell through a board of some kind, with the largest exception probably being beef . . .

"Second, we will look at the retail price and bring it to the attention of the public."

He went on and on, expressing real concern about what was happening with prices, particularly food prices, but then said they were going to monitor the prices, and somehow or other expecting—or hoping, I guess—that this would solve the problem that the people in the lower income brackets particularly are faced with at this time in the economy of this province and of the nation.

I said it is those on low incomes who are hurt the most. That is very true. Certainly this government has done nothing—I say that advisedly—it has done nothing to see that their standard of living is kept up, even though the number in the lower-income bracket is increasing.

In a report a year ago, the Economic Council of Canada pointed out that average income is dropping in the lower 20 per cent of the income group and the income of those in the top 20 per cent was increasing rather dramatically. The report pointed out that, although there have been all kinds of programs, both provincially and federally, which were introduced on the pretext that they were going to assist those on lower incomes and make for greater equality in our society, what has really happened is the reverse of that.

They go on to give a great number of details of this. When this income has been redistributed upward, they say the result has been to reduce the share of total income of the bottom one fifth of the families—the bottom 20 per cent of the families—from

4.4 per cent to four per cent in the last 10 years. It has also resulted in an increase in the share of the top one fifth from 41.4 per cent to 42.5 per cent over the 10-year period, when we were supposed to be introducing these social security measures.

To give some further examples of how the poor are getting poorer and the rich are getting richer, and the poor are being hurt most by the increase in the prices in our society, this government has increased the minimum wage by 13 per cent in the last three years. While the cost of living has gone up 26 per cent, this government has increased the minimum wage by 13 per cent. Also in the last three years, the amount of money being paid to the average family on family benefits or disability pensions has increased by about 15 per cent, while the cost of living has increased by 26 per cent. Even workmen's compensation payments, in percentage terms, have not kept up with the increase in the cost of living.

The point I really want to make, of course, is that the cost of living does not increase by percentages. The cost of living increases by dollars and cents. Contrast a person who is making \$4 an hour and gets a 10 per cent increase, against a person who is making \$50,000 a year—and there are certain professions in that category—and gets a 10 per cent increase; that's not a comparable increase in any sense of the word. In no sense of the word is that a comparable increase, because when that person on the low income has to go out and buy his groceries he doesn't pay for them in that percentage increase, he pays for them in dollars and cents.

[5:45]

Statistics Canada points out that the low-income families, those on \$7,000 a year, spend something like 25 per cent of their income on food; those on higher incomes, those with \$26,700 average income, spend something like 13.7 per cent or just about half; yet it is in the area of food particularly that there have been dramatic increases in prices. That is the reason, of course, that last Thursday we had a resolution before us from the member for Hamilton Centre (Mr. M. N. Davison) asking that a food prices review board be set up so that the government could take some action against unjustified price increases.

Mr. Nixon: Is that the one the Tories blocked?

Mr. Young: That's right.

Mr. Swart: Yes, that's the one the Tories blocked. In fact I suspect they were embarrassed by that motion and that is why they

had to block it. If it is an innocuous motion they don't stand up to block it; but when it has meaning, when it is going to be an embarrassment to the government if it goes through, then they stand up to block it.

I'm not surprised they stood up to block it, as a matter of fact, because there has been a trend to the right by that government over there for quite a period of time.

Mr. Hodgson: How about another select committee? Let's have another select committee.

Mr. Swart: We don't need a select committee.

Mr. Hodgson: I think we should have one. We have seven now; we should have seven more.

Mr. Swart: That's the route of the government, to establish a façade, something that looks as though it's going to do something about problems in our society; but when you look behind the scene, Mr. Speaker, you find it really doesn't do anything meaningful. If the government had that prices commission as proposed in the resolution, if it gave itself the power to do something about controlling prices on an ad hoc basis, it couldn't get away without doing something about it.

Mr. Williams: Come on, call a spade a spade; put the blame where it belongs, with the federal wage and price control program.

Mr. Haggerty: He wants to bring in price and wage controls, that's what it is, but he doesn't want to come out and say it.

Mr. Hodgson: Beef prices are too high; we're paying the farmer too much for his beef.

Mr. Swart: The interjection from the other side of the House—at least from over here to my left, if that member could ever be to the left of anybody—would indicate that the answer again lies in wage and price controls. I suggest to him that they were much more wage controls than they were price controls, and the statistics show it.

If the members, even the members over there, look at what is happening at the present time, they must admit that what we need is a control on prices, not wages. Wages haven't escalated in any extreme manner. I'm sure members must agree to that. Since the Anti-Inflation Board controls came off it has been six per cent, seven per cent—

Mr. Nixon: For some only four per cent.

Mr. Swart: Yes, but as I was pointing out a few minutes ago, I may say to the member for Brant-Oxford-Norfolk—

Mr. Hodgson: He's an important man; he looks after the whole area.

Mr. Swart: —those on higher incomes who get a four per cent increase, when it comes to real purchasing power get more than the person on a low income who gets six or eight per cent.

Mr. Nixon: That's what happens to cabinet ministers.

Mr. Swart: I'm sure the member for Brant-Oxford-Norfolk is one of those people with such a large amount of private holdings—

Mr. Nixon: Baloney.

Mr. Swart: —that the four per cent he receives—

Mr. Nixon: I can't say I'm starving; no one would believe that.

Mr. Swart: —from this Legislative Assembly would not have any real meaning to him, whether he got it or whether he didn't get it.

I am not surprised the government members stood to block that motion because the Treasurer (Mr. F. S. Miller) said on October 24: "I am an economic conservative, which means I believe this government must work to reduce its role as a regulator of so many facilities and services. I also believe we must look with new respect to the words 'profit' and 'free enterprise' and recognize their value in creating new jobs," et cetera, et cetera.

Total faith. Going to solve all the economic problems in our society if they can only allow the corporations to make more profit. They should be living in an ideal state now because if one looks at the profits of the corporations so far for last year and so far this year, it would certainly indicate the companies are doing very well indeed.

Interjections.

Mr. Deputy Speaker: I think the member for Welland Thorold has something further to say.

Mr. Swart: Everyone may not agree with you, Mr. Speaker, but at least I am going to take more time in any event.

An hon. member: I hope you'll last until six o'clock.

Mr. Swart: Yes, I will—a little while after that.

I think it is time the people in this Legislature, the members of all parties, asked themselves whether in every instance the competitive system is working or can work to protect the consumers of this province and of this nation.

We in this party believe that, by and large, competition is a very excellent way of protecting the consumer in most areas. They like

to depict us as some sort of radical socialists or doctrinaire socialists—

Mr. Nixon: Glassy-eyed socialists is the word we use over here.

Mr. Swart: That's because we wear glasses here.

Mr. Foulds: I think Nixon has the biggest pair of glasses in the Legislature.

Mr. Swart: The facts are that we in this party are not doctrinaire socialists. We are not doctrinaire anything. We simply think the system which works the best for society is the one that should be used. If sometimes, or most of the time, that means a competitive system and the private enterprise system, we are prepared to accept that. If it means in some instances we must have regulations and controls to ensure one fits within the framework of what is good for the people of this province and this nation, then we are for that. If on other occasions it means one should be brought under public ownership, we are for that. But we do not believe you can put all your eggs in one basket and say that worked 50 years ago and therefore it's going to work today. Because it doesn't, and the competitive system today per se is not working in all areas.

Interjections.

Mr. Nixon: Don't tell me you are prepared to accept another system.

Mr. Swart: I am not prepared to accept any other system than the democratic socialist movement. I've been a supporter of that party since 1932. I suggest if we had had more people supporting it and been able to elect more governments, we probably wouldn't have been in the situation we are in today in much of Canada. Whether people like to admit it or not, whether it comes to a greater equality in the standard of living and a higher standard of living or a higher degree of employment, Mr. Speaker, if you look at Saskatchewan where they have had that kind of government for several decades, it is a model of what can be done in this nation.

Mr. Nixon: It's the only province that's going down.

Mr. Swart: There are a number of reasons why we have to take this very in-depth look at the economic system we have now as far as controlling prices goes—competitive prices.

The first thing is the high degree of concentration we have in many areas. Much of the industry is owned from outside of this nation. I'll go into that a little bit later or perhaps a little bit earlier, on Thursday or later this week. All the statistics show a greater and greater elimination of compe-

tion, because there are fewer and fewer companies. Many of them have reached the stage where it's easier for them to compete in their advertising in almost every other way than it is to compete with prices.

Mr. Nixon: They're like the American unions.

Mr. Swart: They have reached the stage where they are so large in our society that others really dare not compete with them because they are big enough that they can force them out of existence whenever they decide that's what they need to do.

In the food industry, statistics were given in this House last Thursday night by my colleague from Hamilton Centre who was speaking on this. I want to add a few at this time. The four major chains, Dominion, Safeway, Weston and Steinberg's, control 77 per cent of the supermarket outlets in Canada. In Ontario there are four major chains, Weston, Dominion, A and P and Steinberg's. Anybody who is familiar with that knows that Dominion is the big one and has almost as much as the other three. They control 86 per cent of the supermarkets.

Bruce Mallen, in the 1976 study for the food prices review board, concluded that consumers were overcharged at least four per cent on food bills because of the degree of concentrated ownership of the retail level. In Ontario, he said that amounted to \$250 million a year that consumers were paying that they shouldn't be paying.

Mr. Hall: Those figures were later denied.

Mr. Swart: You can deny them. I am not saying that they are absolute. The simple fact is that if one looks at the profits of the supermarket chains and at the concentration of control in the supermarket chains and if one looks at what happens with the power that the supermarkets have even with the processors and with the farmers, it becomes perfectly clear they can almost charge what they like because of the concentration they have. Whether it's \$250 million or \$100 million, it makes no difference because that concentration is getting greater all the time. If they can get away with an extra \$100 million this year, it will be a \$150 million or \$200 million next year.

Mr. Nixon: It's like unions when they get too big.

Mr. Swart: The concentration of power they have is inhibiting—and that's putting it mildly—the competitive system to protect the consumers. There's no question about that.

Mr. Williams: Stop spending your money at Dominion Stores and inflating their profit.

Mr. Nixon: You've got one minute left. Let's have the answer.

Mr. Swart: It's only Liberals who can provide a one-minute solution for every complex problem.

Mr. Nixon: You've got us all worked up. We thought we were going to get an answer.

Mr. Swart: Come back Thursday.

On motion by Mr. Swart, the debate was adjourned.

The House adjourned at 6 p.m.

APPENDIX

(See page 1422)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

HEALTH SERVICE CHARGES

8. **Mr. Breaugh:** Will the minister please inform the House if his introduction of "patient streaming" in regulation 982/78, whereby opted-out physicians may now bill OHIP directly for hospital services, was part of the ministry's negotiations with the OMA for the 6.6 per cent fee increase? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The introduction of regulation 982/78 was not a part of the ministry's fee negotiations with the OMA. It was one of the many administrative matters which are discussed at my monthly meetings with the OMA.

This amendment was adopted to introduce uniformity into the public hospital system. Prior to the promulgation of this regulation, patients of opted-out doctors in non-teaching hospitals, apart from emergency services, were not able to have the attending physician bill the plan for full payment for the services rendered. All physicians may now bill the plan for services rendered in any public hospital in Ontario.

82. **Mr. Breaugh:** What is the projected cost of OHIPs payments under regulation 982/78 dated December 13, 1978? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: This amendment permits an arrangement to be made to have payments made directly to a physician for insured services rendered to an insured person in an outpatient or any other clinical department of a public hospital. No increase in costs will result since prior to the amendment payment for such services would have been made to the insured person.

PHYSICIAN FOR LANSDOWNE

10. **Mr. Breaugh:** Would the Minister of Health inform the House if he is aware that the community of Lansdowne in eastern Ontario has been without a physician since July of 1977? If he is aware, what steps has he taken, and does he intend to take, to ensure that the community finds a physician in the very near future? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Lansdowne has accepted the application of a physician to establish practice there. It is expected that Dr. Hoang will open his office in April 1979.

PLACEMENT CO-ORDINATION SERVICE

20. **Mr. Breaugh:** Would the minister table details of the proposed placement co-ordination service for Essex county? What will be the total cost of this service? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: I recently approved the establishment of a placement co-ordination service for persons requiring non-acute care in Windsor. The district health council has been instrumental in obtaining approval for the service, but will not manage it. We are expecting a submission from a local agency to manage the placement co-ordination service in Windsor. Once this submission has been evaluated for concordance with provincial guidelines, the local agency will enter into contractual agreement with the Ministry of Health for funding purposes. I have agreed to fund this service at an anticipated level of \$38,000.

NON-INSURED HEALTH CHARGES

23. **Mr. Breaugh:** Will the minister please table any information he has on the number of private practices and/or private clinics which are now billing patients for uninsured services, or asking them to pay a yearly cover charge for these services? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The information requested by the member is not available within this ministry.

26. **Mr. Breaugh:** Has the minister authorized the practice of physicians charging for "extra uninsured services," such as telephone calls, filing of forms or prescription renewals? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As indicated in the preamble to the fee schedule, uninsured services may be charged directly to patients or others requesting these services, which has always been the practice.

102. **Mr. Breaugh:** Would the Ministry of Health advise the House what is the total amount of money over the insured rate charged to Ontario residents by: 1. Family physicians; and 2. specialists who have opted out of OHIP; for each of the following years—1972, 1973, 1974, 1975, 1976, 1977 and 1978? [Tabled March 27, 1979.]

Hon. Mr. Timbrell: OHIP payments are derived from the personalized claim cards which all physicians, irrespective of their billing option, are required to submit. The addi-

tional breakdown sought by the member is not contained on these claim submissions.

CHRONIC HOME-CARE PROGRAM

27. Mr. Breaugh: How many persons in Ontario are currently served by an insured chronic home-care program? How many persons actually utilized the service in 1975, 1976, 1977 and 1978? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Chronic home care is now available to approximately one third of Ontario's population. At the present time there are 2,925 patients being served by the insured chronic home-care program.

The four most recently initiated chronic programs began—two on October 1, 1978; and two on January 1, 1979. A preliminary estimate of the number of persons admitted to all seven of the chronic home-care programs in the operational year ending March 31, 1979 is 3,510 patients.

The number of admissions to the three initial chronic programs that began in 1975 are: 1975—680 patients; 1976—1,417 patients; 1977—1,770 patients; 1978—3,510 patients.

28. Mr. Breaugh: Of the seven chronic home-care programs currently in operation how many provide: 1. Visiting physiotherapy; 2. visiting occupational therapy; 3. visiting speech therapy; and 4. visiting medical-social work? What steps are being taken to compensate for any shortfalls in the standard array of services for chronic home care? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Of the seven chronic home-care programs currently in operation, all seven provide visiting physiotherapy services, five of the seven provide visiting occupational therapy; three of the seven provide visiting speech therapy; and three of the seven provide visiting medical social work.

It is our requirement that each chronic home-care program take all appropriate steps to make provision for these health services within their local communities at the earliest possible time. However, some of these specialty services are not always available in all communities and shortfalls in the standard array of services for chronic home care do exist from time to time. For example, qualified speech therapists are not in plentiful supply in several communities and medical social work is similarly in short supply on occasions. Initiatives such as the provision of audiology and speech pathology clinics in northern Ontario are being actively considered to relieve problems such as this.

29. Mr. Breaugh: What percentage of the nursing services in the chronic home-care

programs are being provided by private, profit-making agencies? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Private, profit-making agencies are not currently providing nursing services in the chronic home-care projects. These agencies could possibly be used when the usual non-profit provider—the Victorian Order of Nurses—is unable temporarily to meet the demand for service. This latter situation occurs only occasionally and unexpectedly for a variety of local reasons, including variations in supply and demand.

31. Mr. Breaugh: Is the ministry currently monitoring the provision of chronic home care by private nursing agencies? If not, does he plan to, and in what way would he instigate such monitoring? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: My ministry is not currently monitoring the provision of chronic home care by private nursing agencies outside the seven local chronic home-care projects now in existence.

The provision of private nursing care in the home—as in the insured home-care program—is subject to the professional standards required by legislation governing the particular profession. Nursing standards come under the Health Disciplines Act. Concerns regarding private nursing should be referred to the College of Nurses of Ontario. Physiotherapy issues come under the Drugless Practitioner Act, and concerns should be referred to the Ontario Physiotherapy Association. Concerns regarding occupational therapy should be referred to the Ontario Society of Occupational Therapists. Those concerning speech therapy to the Ontario Speech and Hearing Association; and those concerning social work to the Ontario Association of Social Workers.

OHIP PAYMENTS

34. Mr. Breaugh: Would the minister inform the Legislature how long it takes OHIP to process and pay claims to patients dealing with opted-out doctors? How long does it take OHIP to pay claims to opted-in doctors? What were these two figures in 1975, 1976, 1977 and 1978? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: In response to the member's inquiry: Correctly completed claims submitted to the plan by the 10th of the month for payment to opt-in physicians are processed and paid by the 15th of the following month. In the case of opt-out physicians, the claims are processed and paid to the subscriber within an average of three to four

weeks from the date of submission to the plan.

The plan has been operated within this time frame during the four-year period mentioned.

DATA COLLECTION SERVICE

36. Mr. Breaugh: Does the minister have any plans to reorganize and expand the epidemiological data collection service performed by OHIP? If so, what are these plans? Do they take into account the current needs of health planners and statisticians? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: OHIP statistics do not address this specific question. The communicable disease control service of the program advisory branch, does collect epidemiological data from physicians and medical officers of health as required under the communicable disease regulation of the Public Health Act. This data is shared with medical officers of health and area planning co-ordinators and is available on request to other health planners and statisticians. There are no current plans to expand the data collection service.

POPULATION-PHYSICIAN RATIOS

40. Mr. Breaugh: What is the current ratio of population to full-time primary care physicians in: 1. Southern Ontario; 2. northern Ontario; and 3. Toronto? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Our answer to the above question reads as follows: For southern Ontario 1 to 1,322, northern Ontario 1 to 1,487; and for Metro Toronto 1 to 1,110.

The above statistics are based on the number of physicians billing OHIP during the fiscal year 1977-78.

100. Mr. Breaugh: Would the Ministry of Health inform the House of the current ratio of population to specialist physicians in: 1. Southern Ontario; 2. northern Ontario; and 3. Toronto? [Tabled March 27, 1979.]

Hon. Mr. Timbrell: Our answer to the above question reads as follows: For southern Ontario 1 to 1,365; northern Ontario 1 to 2,611; Metro Toronto 1 to 911.

The above statistics are based on the number of physicians billing OHIP during the fiscal year 1977-78.

PHYSICIANS' FEE INCREASE

42. Mr. Breaugh: Does the minister have details of how the recent 6.6 per cent fee rise for physicians has been distributed between specialists and family practitioners? Have the

family practitioners received more than the specialists? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Family practitioners receive an increase of 7.2 per cent; and all other specialties an overall 5.6 per cent.

ELECTROSHOCK TREATMENT

45. Mr. Breaugh: Will the minister inform the Legislature as to how many persons received electric shock treatment in Ontario hospitals in 1978? What was the total number of shock treatments given? Were any of these performed on an outpatient basis? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: During 1978, in the eleven psychiatric facilities, 825 electroshock treatments have been administered; 808 for inpatients and 17 for outpatients.

CO-PAYMENT FEES

60. Mr. Breaugh: Will the declaration of financial standing required for exemption from chronic-care co-payments be standardized across Ontario? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Yes; all the forms being used will be standardized across the province.

ABSENTEEISM

65. Mr. Breaugh: What is the rate of absenteeism in the Ministry of Health? Has the ministry's campaign to improve their employees' attendance had any effect as yet? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Monthly absences in 1978 averaged 1.08 days per employee (or 13 days yearly), up slightly from 1.06 days per month (or 12.7 days yearly) in 1977. Attendance improvement efforts are still in the implementation stage. It is too early to assess the program's ultimate effect in terms of ministry-wide absence statistics.

However, before implementing this program on a ministry-wide basis, a pilot project was undertaken by the St. Thomas Psychiatric Hospital. The hospital reported a 21 per cent improvement in attendance by the end of the six-month test period.

CHRONIC-CARE COSTS

67. Mr. Breaugh: Have negotiations been completed to have agencies such as Workmen's Compensation Board of Ontario and Department of Veterans Affairs assume extra chronic-care costs? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Where such agencies already pay the full cost of chronic care, no extra costs will be levied.

HEALTH DISCIPLINES BOARD

76. Mr. Breaugh: Will the minister please list the names and qualifications of the members of the Health Disciplines Board? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The Health Disciplines Board was established in 1974. It consists entirely of representatives of the public and no person who is in the public service or is or has been a member of the health councils covered in the Health Disciplines Act may be appointed.

Its functions are: (1) To review decisions of a complaints committee of a college where the public or a member of the college is dissatisfied; (2) to sit on appeals where a registration committee of a college proposes to refuse to grant registration to an applicant or proposes to attach terms, conditions or limitations to a registrant.

It is composed of five to seven members and the present board is as follows: Edward A. Pickering, chairman, a Toronto business consultant and a former vice-president of Simpsons-Sears; Hugh K. N. Mackenzie, vice-chairman, president of Muskoka Publications Limited which publishes two weekly newspapers in Muskoka and chairman of the district municipality of Muskoka; Warren F. Clayson of Toronto, president of Advanced Ceramics; Stanley V. Green, of Chatham, a past president of Local 127 of the United Auto Workers, and past chairman and present member of the board of trustees of public general hospital, Chatham; Barbara Nichols, of Sault Ste. Marie, a homemaker, past president of the Catholic Women's League and past chairman of St. Jerome's Church Parish Council; Harry J. Sceviour, of Hamilton, president of Philden Limited (family investment company), past president of the National Concrete Producers Association, a charter member of the Canadian Concrete Industries Council and the former president of the Kiwanis Club of Hamilton Mountain; Douglas Whitley, an insurance broker from Trenton, has served on the Trenton Board of Education for several years, is a director of the Trenton Rotary Club and past president of the Trenton Chamber of Commerce.

DEATH OF DORIS CHAPMAN

84. Mr. Breaugh: Does the minister intend to act on the recommendations of the jury in the inquest on Doris Chapman who died after falling from an X-ray table at Wellesley Hospital? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The estate of Mrs. Chapman has initiated an action for damages against Wellesley Hospital and therefore the ministry cannot comment at this time.

ASSOCIATE MEDICAL GROUPS

87. Mr. Breaugh: Would the minister indicate how many associate medical groups have been registered to date with OHIP? Would the minister provide a breakdown by hospital of the nature of each associate medical group and its complement of physicians? [Tabled March 8, 1979.]

Hon. Mr. Timbrell: No such breakdown is readily available. A manual assessment would require a full-time clerk at least one month.

HSO STUDIES

103. Mr. Breaugh: Would the Minister of Health table any studies that have been done on the feasibility of setting up a health service organization in the city of Peterborough? [Tabled March 27, 1979.]

Hon. Mr. Timbrell: Neither my ministry nor the Haliburton, Kawartha and Pine Ridge District Health Council has conducted a feasibility study of establishing a health service organization in the city of Peterborough.

SENIOR CITIZENS' DRUGS COSTS

74. Mr. Breaugh: Will the minister table the costs for prescription drugs for senior citizens under OHIP for 1977 and 1978? What was the breakdown of costs for the senior citizens' drug benefit program for pharmacists' fees and actual drug costs for 1977 and 1978? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The cost of prescription drugs provided to eligible recipients by the Ministry of Health under the Ontario drug benefit program for the past two fiscal years and the estimate for the current fiscal year is as follows: 1976-77, \$57.56 million; 1977-78, \$72.04 million; 1978-79, \$91.99 million (estimate).

This is broken down into drug cost and dispensing fees paid to practitioners as follows:

	Average drug cost	Average dispensing fees	Total drug cost \$ million	Total fees \$ million
1976-77	\$2.63	\$2.52	29.39	28.17
1977-78	\$3.02	\$2.65	38.37	33.67
1978-79 (estimate)	\$3.19	\$2.84	48.29	43.00

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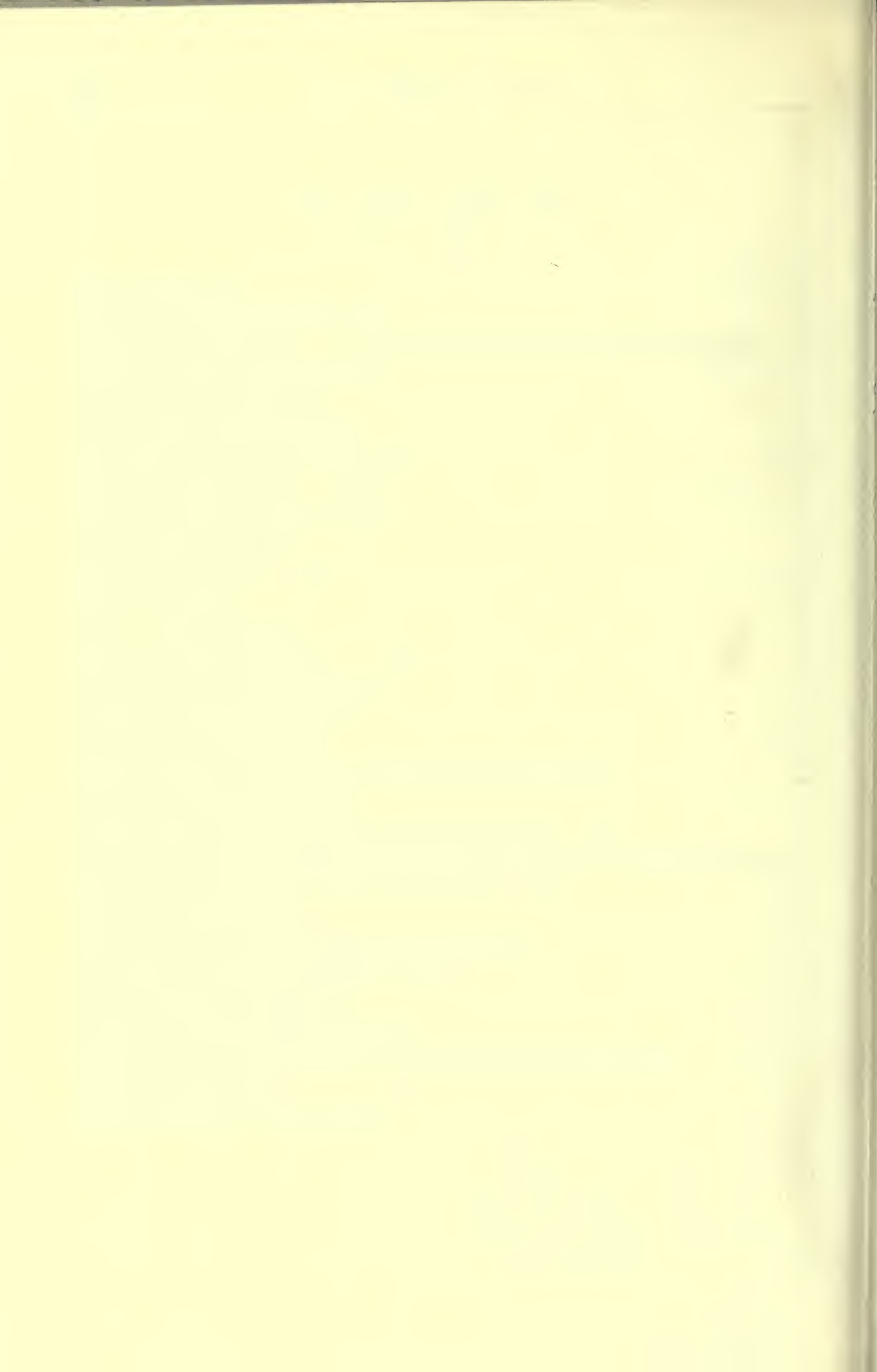
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No. 35

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Tuesday, May 1, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, MAY 1, 1979

The House met at 2 p.m.

Prayers.

NUCLEAR PLANT SAFETY

Mr. Sargent: Mr. Speaker, yesterday the Premier (Mr. Davis) answered a question from the Leader of the Opposition (Mr. S. Smith) on last weekend's accident at Bruce nuclear station by referring to a report he had received on the matter, which I have here.

The Premier said the report was fairly complex, which was apparently his excuse for pretending to quote from it instead of reading it in total. The Premier also declined to table the report so that all members could read it.

I quote the Premier from yesterday's instant Hansard: "I do have a report here related to this particular incident. I could read it. It is fairly complex. Suffice it to say that the two workers were exposed, as the press has indicated, to radiation levels of 5.5. Putting this in perspective—not being an expert in these areas—I am informed this is somewhat comparable to the radiation one would receive from a series of back X-rays, and something less than if you were having an X-ray for say ulcers—which the members opposite might know more about."

Mr. Speaker, what the report actually said in this regard was as follows: "It was at this point that two workers were exposed to radiation levels of 5.5 and eight rems respectively." The annual limit for atomic workers is five rems, but the Premier did not mention the eight rems. Then there is an asterisk at this point indicating a footnote which is as follows: "In comparison, a series of back X-rays will result in an exposure of eight rems and a barium type ulcer X-ray in 20 rems."

My point of privilege is to correct the record so that all members may know what was actually said.

First, the Minister of Health (Mr. Timbrell) should know because if there are barium X-ray procedures in this province producing a radium exposure of 20 rems, I'm sure he'll want to put a stop to it.

Second, since the Premier took occasion yesterday to lecture the House on political

responsibility, the record should show how responsible the Premier was in distorting what the report actually said.

Mr. Speaker: While the alleged point of privilege raised by the member for Grey-Bruce arose out of a statement made yesterday by the Premier, then I think it's only right we give the Premier an opportunity to respond once he arrives.

STATEMENTS BY THE MINISTRY

FLOOD DAMAGE

Hon. M. Auld: Mr. Speaker, as was reported in the Legislature by the Provincial Secretary for Resources Development (Mr. Brunelle), I spent most of yesterday visiting several areas in northeastern Ontario which have been very seriously affected by flooding.

As a result of my firsthand inspection of the situation, meetings with local municipal officials in those areas and consultations with staff, certain actions have been taken as provided under the government's emergency response policies.

As members know, under the lead ministry concept adopted by the government, which gave responsibility for responding to various emergency situations, my ministry was identified as the ministry responsible for the delivery of the response of government to flood and forest fire emergencies. The organization developed to discharge this responsibility entailed the appointment of a provincial flood co-ordinator and local response co-ordinators in each of the ministry district offices. The local response co-ordinator was given the key responsibility for developing response plans which would support municipal contingency plans in the event of a flood occurrence.

The system established included a mechanism for declaration of a provincial flood emergency as the trigger mechanism for providing the response of government to a flood occurrence. Since the severity of the flooding came to my attention on Saturday last, I have declared two flood emergencies: One on Saturday in Field township, and one yesterday in nearby Springer township; both on the Sturgeon River whose levels have risen by as much as 15 feet above normal, the highest for that river on record.

I took this action because: One, there was a major threat to the safety and welfare of local residents, including the potential for loss of life and severe property damage; two, the local response co-ordinator was satisfied that all resources available to the municipalities were committed and there was a need for additional resources which the province could provide; three, requests for provincial assistance were conveyed directly to me by the reeves of Field and Springer townships; four, I was satisfied that a provincial response was warranted under the particular circumstances.

Yesterday I flew over the Sturgeon River from Lake Nipissing below Sturgeon Falls through the Crystal Falls, Field and River Valley areas, then up the Temagami River branch of the river system to Red Cedar Lake.

To give members some indication of the extent to which the Sturgeon River has risen, yesterday there was a flow of 32,000 cubic feet per second recorded at the Crystal Falls hydro installation. The highest previous flow in nearly 50 years was recorded at 21,000 cubic feet per second in 1960. The water level appeared to have stabilized at 5:30 this morning and we are hopeful the situation will improve further.

Yesterday, I and senior staff met with the reeve, Dr. Nicole Patenaude, and some members of his council in the local school at Field, one of the few buildings in the community that is still above the flood waters. Reeve Patenaude told me flood levels in Field exceed anything within living memory. Previous severe flooding occurred in 1928 and in 1960, with a less severe flood in 1970.

Dr. Patenaude is spearheading the fight against the flood in Field, as well as looking after the needs of the unorganized communities upstream such as River Valley, and those downstream such as Crystal Falls. The reeve indicated to me the loss of equipment, supplies and furnishings will be great because nobody expected the flood waters to rise so high. As a result, access to houses and businesses was cut off before the flood severity became apparent. Reeve Patenaude estimated that 150 to 200 homes in the Field area are flooded, as well as the entire business section of the community. Also of grave concern is the damage to business and industry in the entire valley. The Field Lumber Company, for example, has lost much of its logs and its lumber. The plant is under water and may be lost also.

Following my meeting with Field officials, I met in Sturgeon Falls with the mayors and reeves representing the municipalities in the west Nipissing area. There I learned of similar

problems confronting those communities, especially in Springer township at the lower end of the Sturgeon River. Shortly after, at the request of Reeve Maurice Mantha, I declared the flood emergency for Springer township. This means a provincial flood emergency declaration now effectively covers all of the Sturgeon River valley.

Elsewhere, there have been severe floods, but none so serious as in the Sturgeon River area. In Iron Bridge, 20 residences have been flooded, as well as a nursing home. All occupants have been evacuated to local friends' or relatives' homes. The Mississagi River may not have crested and additional flooding may be experienced. Wanup, an unorganized community on the Wahnapiatae River, has suffered flooding and nine families have been evacuated. At Timmins-South Porcupine the Metagami River has surrounded 20 to 30 homes. Levels have crested and are expected to decline. At Latchford the Montreal River is rising and six to 12 homes may ultimately be affected if the rise continues.

In Dowling township, the Vermilion and Onaping Rivers have forced evacuation of about 20 families. Levels appear to have peaked north of Highway 17. At Chapleau, flooding has closed highway 101 to Timmins as well as highway 129. Many other industrial roads are closed due to flooding; Biscotasing is isolated. At Temagami, Lake Temagami continues to rise, threatening damage to recreational properties and buildings. At Moosonee-Moose Factory, breakup on the Moose River increased river levels by 12 feet and nearly reached bank-full conditions. Other Hudson Bay lowland rivers are breaking up but no flooding of Indian communities has yet developed.

In Ottawa, minor flooding has occurred at Constance Bay and Britannia. The flood peak has now passed Ottawa. Areas now flooded will remain flooded until upstream storage is depleted somewhat. I might add that my staff yesterday afternoon issued an advisory bulletin to Ottawa River area residents, informing them via radio and television that the crest would be passing through.

[2:15]

Since the first flood emergency was declared on Saturday, Earl Rogers, district manager at North Bay, has been co-ordinating the delivery of the provincial response to the municipalities. A meeting of all involved provincial ministries and the reeve and council of Field took place this morning to decide on needs and strategy and to co-ordinate actions to deal with the emergency. In addition to Natural Resources, ministries repre-

sented were Community and Social Services, Health, Environment, Transportation and Communications and the Solicitor General. Among matters discussed were emergency accommodation and feeding needs for the people displaced and equipment and supplies for the affected communities.

On Friday the Canadian Forces base at North Bay, at the request of the province, responded with both manpower and vehicles. As well, the Ontario Provincial Police assigned a helicopter to the area, and my ministry has leased a helicopter which is on standby in Sturgeon Falls. Once the initial emergency has been dealt with, the task of clean-up, repairs, rehabilitation and rebuilding must begin.

At this point, the second program of provincial aid will become effective, namely the Ontario disaster relief assistance program which is administered by the Ministry of Intergovernmental Affairs. This will provide financial assistance on a matching dollar-for-dollar basis, that is the province will contribute to a disaster relief fund one dollar for every dollar raised locally to aid the victims.

Mr. Nixon: That's not good enough.

Mr. Breithaupt: There's not much of a base to build on there.

Hon. Mr. Auld: The funds are to be used to assist some 300 owners to repair, or in some instances to replace or rebuild, their principal residences or their small businesses or farm buildings and equipment damaged or destroyed by the flood.

Mr. Cassidy: How do they raise money when they are under water?

Hon. Mr. Auld: Yesterday, following my tour of the stricken area, I received a resolution on behalf of the townships of Field, Cache Bay, Caldwell and Springer and the town of Sturgeon Falls, with a number of unorganized areas yet to be named, requesting that the government of Ontario declare this area a disaster area so that the program may be made available to help in this very needy situation.

In the absence of my colleague the Minister of Intergovernmental Affairs (Mr. Wells), who is in the west fulfilling a previous commitment and who is responsible for the administration of this program, I intend to put this request before my cabinet colleagues tomorrow for their consideration. I might add it has my full support and sympathy. The ratio in respect to the provincial contribution will be determined at that time.

In respect to the communities in the Sudbury, Blind River and Sault Ste. Marie areas

referred to previously, financial help has also been requested under the disaster relief assistance program. Officials of the Ministry of Intergovernmental Affairs will be visiting these communities this week and will submit their report immediately following their return.

Special arrangements will have to be made for unorganized communities, that is the combining of unorganized with the organized communities as one disaster relief area.

Mr. Wildman: What if there isn't any organized community in the area?

Hon. Mr. Auld: The Minister of Intergovernmental Affairs is prepared to accept an application for declaration of a disaster relief area from a local roads board, school board or other organization representing a sector of the local population.

In closing, I would like to inform the Legislature that the Premier is en route to, or he may be en route back from, the Sturgeon River area where he went to view the situation for himself. We are satisfied, for the moment, that everything this government can do to relieve this very serious situation has been done. Members may be assured that I will continue to keep them abreast of any new developments which may occur.

FAMILY UNITY MONTH

Hon. Mr. Norton: Mr. Speaker, in the absence of and on behalf of my colleague, the Provincial Secretary for Social Development (Mrs. Birch), I would like to advise members of the House that the month of May has been proclaimed as Family Unity Month in Ontario. I am pleased to say that it has become an Ontario tradition during this month to promote an awareness of the value of family life and to encourage families to spend time together.

In this International Year of the Child, the spirit of Family Unity Month emphasizes even more dramatically the central place of families. I can think of no greater asset to Ontario's children than the love and support of a family.

The government of Ontario has long been concerned about maintaining the independence of Ontario's families. Legislation passed in the fields of family law and child welfare represents one important aspect of our commitment to strengthening family life.

The family is our most important social institution. It is the position of this government that families must be the focus for the development of social policy; and I do not mean just for government policies.

Mr. Warner: The provincial secretary should make this statement about families. She's a female Archie Bunker.

Hon. Mr. Norton: We in government must realize that social policy is also made by religious institutions, volunteer groups, business, labour and the media.

Government and non-government groups need to get together with families to talk about the needs and aspirations of families as well as the social pressures which threaten them. If families are to be the focus of social policy in Ontario, they should be involved in a process of discussion about what this means for their lives and the wellbeing of their members.

Mr. Cassidy: But the government will never listen.

Hon. Mr. Norton: My colleague the Provincial Secretary for Social Development is doing important work in this area.

Mr. Martel: If you ask her a question, she won't know the answer.

Interjections.

Mr. Speaker: Order, please. Even in this family every member should have an opportunity to be heard.

Hon. Mr. Norton: As Provincial Secretary for Social Development, she plans to encourage a wide spectrum of Ontario residents to promote the interests of families. In consultation with religious institutions, volunteer groups and agencies which assist families, she is preparing a discussion paper about families for release later this month. The paper is intended to stimulate discussion about families and to reach out to those interested in families and social policies. I am sure this paper will be part of an open exchange of information and opinions by all concerned parties.

I know that members will be interested in a public discussion about Ontario's families. Those who become involved in the process will have much to work for and think about, and Ontario families will benefit.

Mr. Cassidy: The way the minister marks Family Unity Month is to take his wife out for lunch.

MINI-SKOOOLS LIMITED

Hon. Mr. Norton: Mr. Speaker, on Thursday, April 12, the member for Bellwoods issued a news release publicizing allegations about the Kingsview II Mini-Skool day-care centre in Scarborough. Later that day he raised some of those allegations in question period. I wish to advise the House of the results of our investigation into all of those

allegations. It has been alleged that the physical and emotional safety of children has been in serious jeopardy.

The first and most important allegation was that the staff-child ratios of the Day Nurseries Act were being violated. Our investigations have revealed this to be a valid cause for concern. While ratios are not below standard throughout the entire day, there have been times in the early morning and late afternoon when the required ratios have not been met. Such a shortage of staff could have exposed children to some risk. I do not share the view of the member for Bellwoods that the children were in need of protection under the Child Welfare Act, but I do feel that day-nursery standards have at times been violated. I should explain that standards under the Day Nurseries Act are considerably higher, and serve a different purpose, than those under the Child Welfare Act.

It is essential that all day-care centres, both public and private, meet the staff-child ratios of the act at all times, based on the number of children in attendance. I have directed that Mini-Skools immediately comply at all times with all standards under the Day Nurseries Act. To ensure that this is the case with all of the Mini-Skool programs, they will be subject to a special requirement to certify on a daily basis both the number of children in attendance and staff on duty in each program room.

Mr. Martel: They were in trouble back in 1973.

Mr. McClellan: This is about the 10th time you've done this.

Hon. Mr. Norton: The centres will continue to be carefully monitored at regular intervals throughout the year by our early childhood consultants, and staffing ratios will be reviewed each time. My staff will be making clear to the officials of Mini-Skools that any further noncompliance with the act and regulations will result in the revoking of any licence concerned.

Our investigators have not verified the allegations of food shortages. To ensure that the menus posted reflect the food actually served, spot checks will be arranged involving the ministry's home economist consultants. In this way they can ensure that servings of appropriate size and nutritional value are being offered.

Our investigation did not verify the other concerns listed by the member for Bellwoods. No shortage of paper supplies was found. The entire high-rise apartment building, not just the day-care centre located on the ground floor, did have a pest problem but the health

inspector is satisfied that this is under full control. We did confirm that, in separate incidents, one child suffered a broken leg while in the play yard and a second child suffered a broken collar bone and a third child suffered a broken leg while in a public park under supervision of the centre's staff. I would point out that those events occurred over a period of three years. There is no evidence that children were being cared for in a manner which would expose them unduly to risk of physical injury.

The investigator is of the opinion that the kitchen and other areas are being kept clean, contrary to the allegations. In each of the four cases of pink eye, a low-grade infection, the children were allowed to remain at the centre on the advice of each child's doctor. Where there is risk of infection, sick children continue to be sent home.

However, in saying this we do feel that the shortage of staff at certain times may have made it difficult to perform all of the tasks required of staff in a well-run day nursery. It is for this reason that compliance with our standards will be closely monitored.

Finally, I wish to comment on the deaths of two children referred to by the member for Bellwoods. One occurred at Kingsview II Mini-Skool in 1975, the other at King's Cross Mini-Skool in January 1979. In both cases I have seen reports of the hospital post mortems and the police investigations; death was recorded as being due to sudden infant death syndrome, otherwise known as crib death. My staff has spoken to both coroners and no blame was placed on staff at either centre. The member's untimely reference to these two deaths, without any real effort on his part to ascertain the causes of the deaths, has itself caused additional unnecessary anguish to the parents and to the staff who cared for the infants.

I have received written complaints from King's Cross infant teachers who say that their competency and commitment to the infants in their care has been unjustly questioned. Indeed, I am of the opinion that the member for Bellwoods owes an apology to both the parents and the teachers of the infants. I would point out that at the time of the January crib death the infant room was not only staffed by three full-time qualified staff, but an adult volunteer was also present.

I wish to assure the members of the Legislature and all parents who place their children in day-care centres that all of the more than 1,400 day-nursery programs licensed by my ministry will continue to be required to meet and maintain the standards of the Day Nurseries Act and regulations.

Mr. Martel: You've been saying that about Mini-Skools since 1973.

Hon. Mr. Norton: Our recent reorganization will enable even closer supervision of programs and I will not hesitate to revoke any licence where violations of standards justify this course of action.

Mr. McClellan: On a point of privilege, Mr. Speaker: I don't know why the minister felt it necessary to take a shot at me, but I want to set the record straight. When he said in his statement that I did not make any real effort to ascertain the causes of the deaths, that was not true.

On the morning of April 12 I phoned the office of the chief coroner and spoke to his assistant, asking her if she had any details with respect to either of the deaths.

She had no details at all on the death that occurred in 1975. She said she would get back to me with respect to the death that had occurred in 1979, if she could obtain the information. She phoned me back within about half an hour and indicated to me that a child had been found dead in a baby carriage outside, in the playground of the Kingsview II day-care centre. I understand the date of that death was February 6.

That is the information I had relayed—I had thought fairly straightforwardly—to the minister, with a request, firstly asking whether he was aware of either of these two incidents and then if he could report to the House with the results of his investigation.

Mr. Speaker, I say to you that I do not feel I need to make an apology for having raised these matters.

DAY CARE POLICY

Hon. Mr. Norton: Yesterday, the matter of conditional or temporary licences was raised. I have recently taken the position that rather than open-ended conditional licences, as was sometimes the case in the past, any conditions attached to a licence should be time limited to ensure speedy compliance with the act. There are at present 43 conditional licences, and 17 of those relate to the need for certain staff to obtain additional upgrading in qualifications. No conditional licence is issued where children would be at risk, and there is no policy that the existence of such licence is a confidential matter. We require, in fact, that each day-nursery operator must post the licence in a prominent spot in the centre, and the licence states any conditions in effect.

For many years this province has been recognized as having the highest day-care standards throughout North America.

Mr. Foulds: Too bad you don't enforce them.

Hon. Mr. Norton: Therefore, I would urge members to contact me personally should they have concerns which they may not be able to substantiate fully. I promise to follow up on these concerns conscientiously and to monitor all programs carefully. You have my personal commitment, Mr. Speaker, as do the members of this House, that the health and the safety of the children of this province will continue to be my ministry's guiding principle.

[2:30]

VISITOR

Mr. Nixon: Mr. Speaker, on a point of order: I know you would want to join with the other members in welcoming an old friend, Fred Burr, back into this House. He is sitting under the Speaker's gallery, and we miss him.

ORAL QUESTIONS

DISASTER RELIEF ASSISTANCE

Mr. Nixon: Mr. Speaker, I would like to direct a question to the Minister of Natural Resources, following his statement about the floods.

Would the minister not agree that the present accepted procedure of some sort of matching grant for flood relief is completely inadequate, particularly in the situation the Premier has been examining this morning in the community of Field, where there is neither a large industrial assessment nor a large community upon which the grant can be based?

Would the minister not agree it is time we abandoned the fiction that this matching-dollar procedure in any way meets the needs, or is practical in meeting the needs, of those communities where natural disasters have caused such extensive damage?

Hon. Mr. Auld: Mr. Speaker, I think I mentioned in my statement that we would be looking at the grant ratio.

Mr. Nixon: But if the base is nonexistent, you could have 10 to one.

Hon. Mr. Auld: But the situation will vary a great deal in different parts of the province; so I'm not prepared to say that we should abandon the present formula entirely for the future. It may well apply in many—perhaps the majority of—cases. But I believe that, as there have been in the past, there will be cases in the future, and perhaps in the present, where we should be looking at some-

thing that is a little more realistic in relation to the resources in the community and in that part of the province, for instance.

Mr. Laughren: You don't understand the Liberal restraint package; that's your problem.

Hon. Mr. Auld: In the case of Field, for instance, the main industry in the community is probably as severely hit as anything else. There are not that many industries—well, that's all there is.

Mr. Nixon: Supplementary, Mr. Speaker: Even though the member for Nickel Belt has interjected that he is not in favour of changing the procedure to something more nearly meeting the needs—

Some hon. members: That's not true.

Mr. Martel: Have you ever tried telling the truth?

Mr. Nixon: —does the minister not realize that, even though his rather rigid requirements require a municipality—and he has changed that today—or some other local organization to apply for designation, the Ministry of Natural Resources is in a position to recognize such a need without going through the stultifying, delaying formality that has grown up as a part of the procedure which we on this side have criticized for many years as being totally inadequate?

Hon. Mr. Auld: Mr. Speaker, as I said, the disaster relief fund is administered by the Ministry of Intergovernmental Affairs. In fact, the provision I mentioned today of any other board—local school board or road board—in an unorganized community or township has been in the provisions, I understand, since the inception of the program.

It just hasn't been used that often. But even if there is no such elected organization, if there is an association of ratepayers or some group that can speak on behalf of the community and can do the work in the community that is required in terms of assessing damage and some of the complications there, then aid is available.

Mr. Laughren: Point of privilege: I did want to correct the misleading remarks of the member for Brant-Oxford-Norfolk, Delhi, Simcoe and Cayuga.

Mr. Nixon: I thought I was correcting yours.

Mr. Laughren: I did not suggest that I was in favour of the funding arrangements that now exist between the provincial government and the people who are the flood victims.

Mr. Nixon: That's good.

Mr. Laughren: As a matter of fact, their funding policies in this are as bankrupt as in all other areas.

Mr. Speaker: I think we get a little bit loose with the rules of the House on occasion. I want to draw to the attention of the member for Brant-Oxford-Norfolk that in the rules of debate, standing order 19(9) deals with imputing false or unavowed motives to another member. I think the member's remark would fall into that category.

Mr. Laughren: Withdraw.

Mr. Nixon: If that's the case, Mr. Speaker, if you thought I was imputing a motive, I withdraw it. But I assure you I was simply defending myself, and there is no rule against that.

Mr. Speaker: No.

Mr. Roy: He wasn't imputing a motive; he was stating a fact.

Mr. Wildman: I have a supplementary to the previous question in relation to the minister's statement. Could the minister explain if it has been a long-standing practice in the Ministry of Intergovernmental Affairs in areas that are unorganized for local boards such as local roads boards and school boards to apply for designation? If that has been the practice, when I phoned the ministry yesterday why was I informed that the people in the unorganized areas of my riding who have endured flooding would have to organize local committees to apply? Why is that? If the local roads board could have done that, why was not only I but the Ministry of Natural Resources district manager informed of the same thing?

Hon. Mr. Auld: I really can't answer that question. He may have been under the impression there was no local roads board in the immediate area where the damage took place.

Mr. Warner: An unorganized government.

Hon. Mr. Auld: At any rate, I can tell the House today that there are the procedures and if anybody is in doubt he will have been informed within the next day or two.

Mr. Bolan: Supplementary: in view of the fact that the only industry in town, Field Lumber, has suffered a loss totalling close to \$1 million; in view of the fact that half of the residents of this community are comprised of senior citizens and people who are unemployed; in view of the fact that Abitibi Forest Products Limited, the largest employer in the Sturgeon Falls area, has had to shut down for four months as a result of this flood, and in view of the fact that the economic base, for all intents and purposes, has been

destroyed, how does the minister expect the people of this area to restore their homes and property on this puny, miserly and Scrooge-like offer of dollar for dollar?

Hon. Mr. Auld: I can understand the member's language being perhaps a little severe.

Mr. Peterson: Uriah Heap.

Mr. Bolan: I'm being honest.

Mr. Conway: He's being very honest.

Hon. Mr. Auld: I think if the member would wait and see what decision is reached by the government, then perhaps his words might not be so severe; perhaps they might be more severe, I don't know.

Also, I don't want to get into an argument with anybody, but I don't think it is possible at this stage, to produce any figures as to the amount of damage. From what I was told the damage to Field may be in excess of the amount he mentioned. As far as Abitibi is concerned, I understand, the shutdown may not be as long as he indicated. I believe there has been some problem in the powerhouse. How long that will take to repair won't be known until the area has been pumped out.

Mr. Wildman: What is the role of the Ministry of Northern Affairs in this whole thing?

Mr. Martel: As it is in everything else—nothing.

SHORTAGE OF SKILLED WORKERS

Mr. Nixon: I have a question of the Minister of Education. Is she aware that Frank Richter, the president of Eastgate Ford of Hamilton, is leaving today for the United Kingdom in an attempt to recruit 200 trained auto mechanics, since evidently there are none available in the job markets in southern Ontario for his service?

An hon. member: Or northern Ontario.

Mr. Nixon: Whether or not she is aware of this, can she explain why our expensive education system, which has been concerned with this for so long, has once again let down industry in Ontario?

Hon. Miss Stephenson: Mr. Speaker, one of the areas in which we have had a consistently high enrolment in apprenticeship programs has been the motive power areas. One would anticipate that in the area of auto mechanics we should have a reasonable supply of skilled people. I was not aware that any such ad had been placed, but I shall investigate it.

Mr. Nixon: Just to clarify this, it isn't an ad. The gentleman is travelling himself to recruit.

Supplementary: Is the minister further aware—and if not, would she inform herself—that the gentleman wrote to T. Philip Adams, assistant deputy minister, college affairs and manpower training division, in March 1978, asking that a test program to train mechanics that had been set up at St. Clair College in Windsor and Algonquin College in Ottawa be extended to Mohawk College in the Hamilton area, and that the reply was that the special program was being discontinued? He has heard nothing since and the shortage has grown to its present proportions.

Hon. Miss Stephenson: I was not aware there was any such letter and I shall look into that.

Mr. Haggerty: Shame; you should resign.

Mr. Warner: A colossal failure; you should resign; a total failure.

Mr. Peterson: Would the minister take the opportunity, in the wake of these questions, to bring the House up to date on the promises given in the throne speech, as well as the budget speech, about programs she promised to develop with regard to these types of problems? Would the minister bring us up to date now?

Hon. Miss Stephenson: As soon as all the facets of the program are in place I shall be very pleased to bring the House up to date.

Mr. Gaunt: Supplementary, Mr. Speaker: Why did the ministry, at a time when the government is trying to encourage more people to come into the apprenticeship programs, increase the module exam fees by 200 per cent?

Hon. Miss Stephenson: That was a decision taken on the basis of the cost of providing the examination. It was part of the program that the individual who was going to benefit from it should have some monetary responsibility for the examination which was being held. It is not an inexpensive program to carry out and it was felt there should be more participation on the part of those who were involved in the examination process and who would benefit from it.

Mr. Cassidy: In view of the fact this represents a private concern going off to the United Kingdom to look for trained workers, rather than looking for them here in Canada, has the ministry monitored the number of firms in Ontario which have gone outside of this country to look for skilled workers? Will the minister report in the next week on how many of these firms are looking for workers abroad and how many workers are

coming into this country rather than being found here in this province?

Hon. Miss Stephenson: I'll try to get whatever information is available and present it to the House.

Mr. Speaker: Final supplementary, the member for Erie.

Mr. Haggerty: Last year I directed a question to the minister's predecessor relating to an agreement with the federal government that provided funding of \$272 million to this province for retraining and apprenticeship programs, \$108 million of which was to be spent in the year 1978. The reply to my question from the minister at that time was that \$18 million was allocated for apprenticeship training programs. Would the minister table all the documents relating to the expenditure of this \$272 million and whatever the province has put into it? Where did the money go, to what programs?

Hon. Miss Stephenson: I will get that information for the House.

Mr. Bolan: It's gone to feed the pork barrel.

Hon. Miss Stephenson: You're the only pork in the barrel.

[Later (3:30):]

Hon. Miss Stephenson: The honourable acting leader of the official opposition suggested in a question he raised this afternoon that Mr. Richter, president of Eastgate Ford, had written to Philip Adams, the assistant deputy minister of college affairs, last year and had not received a reply.

Mr. Nixon: No. I said the only reply he got was an indication that the special program was being wound down.

Hon. Miss Stephenson: Because that is not true. Indeed the program had been carried out in two sites in 1976-77 and 1977-78 and was limited to one site, Algonquin College, for the 1978-79 program and has in fact been running. It is being evaluated this year for assessment as to its validity for extension to other colleges and that was the answer which was given to Mr. Richter when the letter was responded to last May.

Mr. Nixon: If I may be permitted a supplementary, why is it that Mr. Richter has to travel to the UK to get 200 mechanics at the present time, because they can't be filled?

Hon. Miss Stephenson: I suggested that I would try to get that information for the honourable member.

[Reverting (2:45):]

HOSPITAL BED ALLOCATIONS

Mr. Cassidy: I have a question of the Minister of Health, Mr. Speaker, arising out of his decision to back down on the commitment to outlaw credit card use in doctors' offices. In view of the fact the minister apparently arrived at that decision based on the majority of 40 letters he received, and some prodding from the College of Physicians and Surgeons, will the minister act similarly with regard to the cutback of hospital beds across the province?

I have here 66 cutback letters related to the hospital in Goderich. I have 136 letters related to the hospital in Wingham. The member for Port Arthur has more than 2,000 letters related to Thunder Bay hospitals; and we have more than 300 letters related to the proposed 3.5 bed ratio which the minister wants to impose on hospitals across the province. Most of these are letters which have already been received by the minister and of which we have copies. These dwarf the 30 letters he has been getting on the Chargex issue. In view of that fact, does the minister not think it signifies deep public concern about the hospital cutbacks across Ontario and will he not reconsider the bed cutbacks in Ontario public hospitals?

Hon. Mr. Timbrell: First of all, let me remind the member of the exchange between the member for Oshawa (Mr. Breaugh) and myself a week or two weeks ago, I forget the day, and comment on the report today. I think, with respect, it is misleading to say that I have changed my view of this particular matter. On the principle, I feel as I did before.

It is inappropriate to say that the decision was based simply on letters received, but certainly in my discussions of the matter with people all around the province and on the basis of information which has come to me, it is clear that this particular subject is a threat to the integrity of the health system and, therefore, does not warrant the use of an extraordinary power.

It is something that unquestionably does bear watching. It is a matter which is going to be discussed with the college at my next regular meeting with them in late May or early June, so it is not a matter which is being dropped; rather one which is, as it were, under review.

Let me just comment on the latter part of the member's question. Some weeks ago I had several productive meetings with delegations from various communities. First of all, I met with a delegation from Goderich. On that day I met, as well, with a delegation

from Wingham. I also met with an extensive delegation from Thunder Bay. The fact is, wherever there are difficulties, and there are bound to be difficulties in adjusting to the budgets in some communities, we are dealing with them on an individual basis to help them resolve their problems.

In both of the former cases, as in many communities, there was identified a need to consider conversion of beds for chronic purposes and to recognize that in fact they are being used for chronic purposes.

The planning standard which has been referred to is an appropriate planning standard, recognizing our goal is to have that number of beds available for active or acute care purposes, not a fixed percentage of that number or an ongoing percentage which would at any given point in time be tied up by patients whose needs are other than for acute care.

We want to identify throughout the province—and this is not something that can be done over one year, but over a number of years—what the needs are and to meet those needs within the bounds of the money available to us.

So yes, I am aware of those letters. I think we are making good progress in rationalizing the system so that the services and facilities available are in fact appropriate to the actual needs in the community.

Mr. Cassidy: Can the minister explain why it is he flip-flops on the question of credit cards for doctors' care on the basis of what he feels appears to be public opinion, which is a handful of letters, and on the basis of what he hears from the College of Physicians and Surgeons; but despite the fact of having an avalanche of mail and a protest from across the province, coming from medical authorities, from hospital boards and from the general public, all he is prepared to do there is to try to alleviate a little bit the pain of having to conform to the new ministry guidelines?

Is it not the case that whatever the minister's personal opinion is on the bed cutbacks he is making the hospitals across the province adhere to his edict and to the edict of the Treasurer (Mr. F. S. Miller) of this province?

Hon. Mr. Timbrell: Again, the member refers to what I have heard from the college. All I have had from the college has been acknowledgement of the letter several months ago. In point of fact, I think the whole idea of power over there is bludgeoning people all over the place into submission.

Mr. Wildman: That's what you do.

Mr. Martel: What are you doing? Your Tory friends are sneaking in the back door.

Hon. Mr. Timbrell: In this particular case, the Health Disciplines Act does convey to the Minister of Health and to the Lieutenant Governor in Council a particular authority, a potential authority under that act, which I think should be used sparingly and when it is necessary.

What I'm telling the honourable member is that in this particular case, based on the information about the utilization of these cards, which has come from a variety of sources but in the main from the public, I don't think this is the time to use that authority. I don't think it is a threat to the integrity of the system.

Mr. Cassidy: We don't think it is time to cut back the hospitals the way the minister is doing right now.

Hon. Mr. Timbrell: With respect, I think the honourable member is missing some very key points—whether by design or not I don't know—about the question of hospitals. In point of fact we have repeatedly made it clear—and I think that when we've had the opportunity to sit down with individual hospital boards and groups of doctors this has been accepted as sound planning—that our goal is, as I said a few minutes ago, to plan on having a particular number of active-treatment beds available for active-treatment purposes and to plan to meet extended care and chronic-care needs over and above that. That can't be done overnight. Obviously, it would be a physical impossibility and it would be a financial impossibility to do it all in one step.

Mr. Cassidy: You gave them six weeks.

Hon. Mr. Timbrell: We have made considerable progress along those lines in many areas of the province, including areas where I have had the opportunity to meet with delegations in recent months. In fact, 1979 will be the year in which we make the most progress in rationalizing the system and seeing to it that the array of facilities and services available is most appropriate.

Mr. Riddell: Supplementary, Mr. Speaker. In connection with the response the minister gave to the NDP leader's first question, in which he made reference to the delegation from Goderich, is he aware that his ministry officials are putting an entirely different interpretation on the commitment he made to that delegation, inasmuch as they are telling the Goderich board now that they will be assessed a \$60,000 penalty, that they will not get the increase in chronic-care beds the minister suggested he would permit and that they would not be able to use one or two of those

chronic-care beds for active-treatment beds if the case ever arose? Could the minister check with his ministry officials to clear up the confusion the Alexandra Marine Hospital board has at the present time?

Hon. Mr. Timbrell: I'd be glad to make sure there is no misunderstanding. Obviously, our first obligation is to try to live within our means.

Ms. Gigantes: Your first obligation is to the health of Ontarians.

Hon. Mr. Timbrell: Wherever possible, as I said at that meeting several weeks ago, we would hope that where conversions do occur we could live, in 1979-80, within the existing financial allocations. I said that that would create a new base and range of services for future fiscal years and for future budgets for individual hospitals and hospital centres. I will check with the officials who have been following up on that meeting to ensure there is no confusion.

NUCLEAR PLANT SAFETY

Mr. Cassidy: I have a question of the Minister of Energy, who has just come back into the House. I'd like to draw to his attention the series of questions which I asked on the Order Paper on April 5 with relation to the safety of Hydro's nuclear reactors, with relation to the probabilities of accidents and fuel meltdowns and with relation to the risks of radioactive contamination. Can the minister explain why it is taking until May 17 to answer a question relative to the release of studies and documents which were already in Hydro's possession on April 5 when that question was originally put down on the Order Paper?

Hon. Mr. Auld: The only answer I can give is that it is a complex subject and it is taking some time to put together the material that is required.

Mr. Warner: What to hide and what not to hide.

Mr. Cassidy: Supplementary Mr. Speaker: How can the minister expect the public to make informed judgements about nuclear energy, a very serious problem now in the province of Ontario, when Hydro has been so reticent about providing the public with both accurate and full information related to nuclear safety; for instance on the number of other incidents that may have taken place with relation to overdoses of radiation at the Bruce or Pickering nuclear plants?

In the spirit of freedom of information, will the Minister of Energy direct Ontario Hydro to make a full revelation of all material re-

lated to nuclear plant safety in the province of Ontario, without constantly having the information dragged out of them?

Hon. Mr. Auld: Mr. Speaker, to go back to the original question, as members are aware, the staff of Ontario Hydro who are involved in the nuclear generation program have been extremely busy before the select committee, in dealing with reports from the Harrisburg incident and a number of matters, so they have not been able to apply their full time to answering the member's questions, but I am sure that those answers will be forthcoming as soon as possible. As far as the second question is concerned, the matter the member has mentioned will no doubt be discussed at the select committee this Thursday and Friday.

Mr. Sargent: Why doesn't the minister tell the House the facts as they are? When he says that an exposure of five rems per year is permissible and the quarterly permissible level internationally is three rems per quarter, why doesn't he tell the people that the internal policy of Hydro is two rems per quarter permissible? The Premier tells the House 5.5, and he doesn't even mention 8.8 rems as being serious, the worst in North America. Why doesn't the minister tell the people the truth when he knows the internal policy of Hydro is two rems per quarter and we have five rems and eight rems in the picture?

Hon. Mr. Auld: Mr. Speaker, first of all, I didn't tell the House anything about rems. If I understood what the member said, he was talking about two different things. He was talking about an annual exposure and a quarterly exposure and I assume one doesn't multiply the quarterly exposure by four, but I don't know. If the member would like me to try to get for him an explanation that we can both understand about permissible radiation and the periods in which it is gathered and how long the radiation lasts in a person, I will attempt to do that.

Mr. Cassidy: Mr. Speaker, in saying that Hydro was busy and that the select committee would be looking into this matter, the minister did not answer my specific question so I will put it again: Does the government agree that all documents and studies relative to the safety of Ontario Hydro's nuclear generators should be made available to this Legislature and to the public, and will the minister direct Ontario Hydro to carry out that commitment and make that information available?

Hon. Mr. Auld: Mr. Speaker, I think there is a bit of a dilemma as far as Ontario Hydro is concerned about all the information on its

plant. There is the question of security of the plant and making available information which would be of assistance to somebody who is attempting to harm that plant or the people in it. I think there are questions of proprietary information, where there is a value to certain information or certain processes which have been developed. However, as I understand the situation, Hydro is making a great deal of information available now. The matter of full disclosure of every piece of paper in the shop is one, as I read the paper, which will be discussed with Hydro by the select committee on Thursday and Friday.

Mr. Speaker: The minister has the answers to previous questions on the same subject.

Hon. Mr. Auld: Mr. Speaker, last week the Leader of the Opposition asked me if I was aware that boilers manufactured by Babcock and Wilcox were no longer approved by Atomic Energy of Canada Limited for plants which it is selling outside the country. I may say that I am informed by Hydro the order for boilers for the 600-megawatt Candu nuclear station being supplied to Korea was obtained in 1976 by Foster Wheeler Limited of St. Catharines by competitive bidding against other suppliers.

Concern over the design safety of the Babcock and Wilcox boilers was not the reason for this decision. All other boiler orders for the 600-megawatt units being built in Quebec, New Brunswick and Argentina are being supplied by Babcock and Wilcox, as are the boilers for Pickering B, Bruce B and Darlington A.

[3:00]

Further in that connection, the Leader of the Opposition also asked, if Hydro didn't know about that, why it didn't, and why it continued to use the Babcock and Wilcox boilers even to the point of accepting them for Darlington. That was after the discovery in December of certain problems. I may say the order for the Darlington boilers was given on May 31, 1978, some time in advance of the discovery of the problems in the other boilers for the other plants.

Mr. Nixon: I wanted to ask a supplementary, on the basis of the question asked in relation to the Leader of the Opposition's question some time ago, relating to the Babcock and Wilcox boilers. Has the minister now received information that the Atomic Energy Control Board has done a special review of the Babcock and Wilcox capability in connection with these boilers? If he has, could he comment on the report or table it in the House?

Hon. Mr. Auld: Mr. Speaker, I believe I saw a report, and I can't remember whether it was a report in the press or a report from Ontario Hydro, that the Atomic Energy Control Board was reviewing that. I will find out definitely whether in fact that is true and what information is available. I am not aware of any information that has come as a result of any reviews.

Mr. Nixon: Will he table that information?

Hon. Mr. Auld: If there is some.

Mr. Conway: They are sleeping in the galleries. Old Jimmy Sominex has done it again. He's put them to sleep.

Mr. Speaker: Maybe if the answers were a little crisper.

Hon. Mr. Auld: Actually, I think I will go into hypnotherapy and make a buck.

Mr. Nixon: Buy that unscrambler you were talking about.

Hon. Mr. Auld: The honourable member for Cambridge (Mr. M. Davidson) last week asked whether or not the changes in the design of the Babcock and Wilcox boilers for Pickering had been made by Hydro. I understand the manufacturer is responsible for both the design of the boilers and the manufacturing process.

Finally, there was another question from the honourable member for Grey-Bruce last Friday morning at the end of the question period. There have been operational systems to control and monitor radioactivity effluent from the Bruce nuclear generating station ever since the first reactor unit started up in 1976. Any radioactivity leaving the station via the station stacks is continuously sampled by the stack monitoring systems. These samples are routinely collected and analysed for the presence of radioactivity. Monitors are and have been in operation to measure radioactivity levels in the ventilation exhausts from reactor containment areas.

If excessive levels of radioactivity are detected, these monitoring systems will automatically seal the reactor containment areas and warn the operators in the control room. The station operators would then immediately use the stack samplers to determine the quantity of radioactivity that may have been emitted.

It is planned to have the stack monitoring systems directly indicate the levels of iodine, noble gases and particulate material in the stack effluent, but because of equipment difficulties this is not yet in operation. However, this feature is not essential for safe operation of the station. The existing operating systems provide automatic protective action and ade-

quate warning and information to station operators to assess and control any radioactivity release to the environment.

Mr. Sargent: Mr. Speaker, will the Minister of Energy request a report from Ontario Hydro on every forced or planned outage of electricity at all Hydro's nuclear generating stations in the last 30 days, specifying what did not work and why it did not work? I request the honourable minister to furnish such a report and table it in the Legislature.

Hon. Mr. Auld: Mr. Speaker, I will request such a report. Again speculating, I would say it may well be there have been outages for which the exact cause has not yet been established. But I will see whether that information is available at the moment.

Mr. Sargent: Supplementary: Today it has been revealed the Nuclear Regulatory Commission in the United States discovered 150 cases where critical valves failed, similar to what triggered Three Mile Island. Ontario Hydro's significant-event report dated 78-1 said there were more than 50 examples where isolating valves have failed to relay—faults in relays. This ratio shows Ontario Hydro's experience is about 10 times worse than that of the United States. Will the honourable minister please get a report on that for us?

Hon. Mr. Auld: As I say, I will attempt to get the information the honourable member has asked for.

FLOOD DAMAGE

Mr. Wildman: Mr. Speaker, I have a new question for the Minister of Natural Resources. Can the minister tell me if ministry crews were monitoring Ministry of Natural Resources dams and water levels on Endikai Lake and Mound Lake in Algoma prior to Thursday and Friday when they were breached? If so, why had not MNR lowered their dams gradually to prevent the sudden onrush of water that forced Hydro to spill water over the Red Rock dam at a rate of 30,000 cubic feet per second resulting in the flooding of Iron Bridge? Ministry officials say the water will rise further today and last indefinitely—they do not know when it is going to end.

Hon. Mr. Auld: Mr. Speaker, I will inquire about that.

Mr. Wildman: Supplementary: If the minister finds the dam on Mound Lake, for instance, was lowered last year more than it was this year when there were lower water levels, and that it was not lowered last week when water was running over the dam, would he then consider that perhaps MNR has more

than 50 per cent responsibility in this matter and should be willing to pay a lot more than 50 per cent for the cleanup as a result of the dams breaching and the flood on the Mississagi River?

Hon. Mr. Auld: As I said, I will look into the matter and report to the House.

[Later (3:25):]

Mr. Bolan: I have a question of the Minister of Natural Resources. In view of the fact flooding occurred in the Field area in 1928, 1960, 1970 and now in 1979, does the minister not feel the most sensible thing to do is to relocate to higher grounds those homes which are in the flood plain? Is his ministry prepared to make this recommendation to his cabinet colleagues, particularly to the Minister of Intergovernmental Affairs (Mr. Wells)?

Hon. Mr. Auld: One of the things that came up yesterday in the meeting with the West Nipissing Municipal Association was the question of the establishment of a conservation authority and, possibly, flood plain mapping and some relocation. It was discussed, and it was agreed that once the flooding had receded that is something that should be looked at, particularly in those areas where the ground level is very low in comparison with the river's normal level and also where buildings have been totally destroyed.

However, I just repeat, Mr. Speaker, or highlight what I said in my statement, that there has never been anything quite like this. This is, perhaps, double the effect of the past. I believe the reeve told me that in Field, in the last episode, there were some 15 buildings damaged rather than perhaps 150 this time. The water was considerably higher, as the flow at the Crystal Dam indicates. It is 50 per cent above the highest recorded previous incident. However, certainly some relocation should be considered and that is something we will be looking at along with the municipalities once things have settled back to normal.

Mr. Bolan: Thank you. While the minister is looking at that, would he also look at the question of providing assistance to those businesses, particularly the Field Lumber Company, which has lost hundreds of thousands of dollars as a result of this flood and which happens to be the main economic base in Field? In other words, is he making any provisions in his scheme to try to assist these people, and some of the businesses as well, affected by this?

Hon. Mr. Auld: Mr. Speaker, some of those who will be involved are the Ministry of Industry and Tourism people in terms of both industry and tourism. Some of the outfitters in

the area will be severely affected. Their season opens, I guess, in a couple of weeks, and some of those on the lake and at the mouth of the river have lost wharves and docks and other things.

I would perhaps add that it would be very helpful if the government of Canada were to change its formula because its formula for aid for disasters is based on a per capita amount. There is no aid to Ontario until the damage gets to be in excess of \$8.2 million. I just happened to run into one of the member's federal colleagues yesterday and mentioned this to him.

Mr. Makarchuk: Supplementary, Mr. Speaker: Would the minister look at the areas where feasibility studies have been done and engineering plans have been drawn in flood areas? Will the minister release the purse strings so that these areas can go ahead with the building of flood control projects?

Hon. Mr. Auld: I can't make any commitment to make any additional expenditures at the present time, other than those budgeted. However, as I indicated, the situation in the Sturgeon River valley is one that is being looked at and in due time we will announce what we are able to do.

[Reverting (3:10):]

PROVINCIAL SCHOOLS DISPUTE

Hon. Miss Stephenson: Mr. Speaker, yesterday the member for Windsor-Sandwich (Mr. Bounsall) asked a question about the negotiations between the Provincial Schools Authority and the Federation of Provincial Schools Authority Teachers. I should like to report that both parties were negotiating on Sunday and Monday of this week. The authority has tabled a new monetary offer to the teachers and has offered a dental plan comparable to that agreed upon with the Ontario Public Service Employees Union for civil servants. I will share a copy of the salary grid offer with the honourable member if he wishes, but he should remember that every permanent teacher in the schools authority receives an additional \$1,465 on top of the grid figure and probationary teachers receive an additional \$1,100.

I am informed the major issues that seem to be impeding progress in negotiations at this time are non-monetary. One of the major issues, for example, is that the federation is demanding "that there be no transfer of any school program to a local board of education for the term of this collective agreement." That has serious implications for movement in the direction of special educa-

tion which we are developing and will be proposing.

The honourable member for Windsor-Sandwich is also concerned about the staffing of the provincial schools. In the matter of programs and staffing for the adult correctional centres there has already been considerable discussion within the justice committee debating the estimates of the Ministry of Correctional Services. I am sure my colleague in that ministry has answered or can answer those questions. But as far as the provincial schools operated by the Ministry of Education are concerned, there are some bits of information which I think should be shared with the honourable member.

The number of pupils enrolled in the training school area has decreased from 391 in September 1977 to 383 in January 1979; the number of teachers in that area has decreased from 61.5 to 60. Thus, the pupil-teacher ratio of 6.4 to one has been maintained in spite of the fact that the guideline for staffing as per the 1977-78 agreement is eight to one.

In the developmental centre schools the pupil enrolment has declined from 1,265 to 1,237 and the number of teachers from 252 to 245. The pupil-teacher ratio has been maintained at five to one; if one looks at it on a full-day equivalent basis, the ratio is actually 3.5 to one. That again is below the guideline established for programs for the emotionally disturbed.

In the area of the schools for the blind and deaf, the enrolment has declined from 1,075 in January 1978 to 1,064 in January, 1979. The number of teachers has declined from 264 to 256. The enrolment has remained almost the same. The pupil-teacher ratio in January 1978 was 4.07 to one, and in January 1979 it was 4.16 to one. That again is below the maximum guideline established for the schools for the deaf.

In spite of the fact that the Kawartha Lakes and Pine Ridge schools are proposed to be closed, the Ministry of Education and the Provincial Schools Authority have protected and retained the positions of the 15 teachers on the two staffs to supplement and extend the program in the training schools that are going to remain open.

I would be pleased to share this information with the honourable member if he wishes.

MILK PRICES

Mr. Breithaupt: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations (Mr. Drea) but, in his

absence and that of the Provincial Secretary for Justice (Mr. Welch) and the Premier (Mr. Davis), could I be advised who the acting House leader is so that I could at least place the question?

Mr. Speaker: The Minister of Energy.

Mr. Nixon: He hasn't got enough to do.

Mr. Breithaupt: As the minister, or certainly his seatmate, the Minister of Agriculture and Food (Mr. W. Newman), is aware, the price of milk is to rise by at least two cents a quart today by a decision following that of the Ontario Milk Marketing Board to grant two cents more to dairy farmers.

Will the minister investigate the alleged price increases on April 30—yesterday—by the Loblaw's store at Queensway and Royal York Road and apparently at other Loblaw's and Dominion stores in Ontario? Further, will he be able to advise us what are the increases expected in the price of milk beyond the two cents that is going to the farmers and with which none of us quarrels?

Will the minister demand an explanation of this apparent piracy from Loblaw's and Dominion executives and inform the House what redress will be demanded from those who have done this price gouging, if such is the case?

Hon. Mr. Auld: Mr. Speaker, as a two-quart-a-day milk consumer myself, I will be delighted to pass that inquiry along to the Minister of Consumer and Commercial Relations.

Mr. Martel: Supplementary, Mr. Speaker: Would the minister also inquire as to why milk is going up by four cents a quart in the Sudbury area as opposed to two cents in other parts of the province?

Hon. Mr. Auld: I am sure the Minister of Consumer and Commercial Relations will inquire into both parts of that increase.

Mr. Peterson: Supplementary, Mr. Speaker: Will the minister, while he is doing that also investigate A and P in London, which had a premature price increase yesterday or the day before?

CHRYSLER LAYOFFS

Mr. Cooke: Mr. Speaker, I have a question to the Minister of Manpower. Does the minister remember the assurances given to the House by the former Minister of Labour on May 2, 1978, that Ontario would get its fair share of small-car production from Chrysler Canada? Does the minister remember warnings from this side of the House

that Chrysler Canada, by removing its six-cylinder-engine production last year from Windsor to Detroit, would result in job loss? Does he also remember that his government and the federal government gave us assurances that job losses would not occur because the Ontario government had received assurances from Chrysler Canada?

Now that it has become obvious that Chrysler's assurances to the government were misleading or lies, what is the minister prepared to do to stop the 550 layoffs announced by Chrysler last week in order to ensure that we get our fair share of small-car production and that these layoffs do not take place in Windsor?

[3:15]

Hon. Mr. Elgie: Mr. Speaker, I would like to thank the member for endowing me with a title which, as he knows, I don't yet have. However, in the absence of the Minister of Industry and Tourism (Mr. Grossman), I am pleased to tell the member I did read the questions asked in the House in my absence. I have asked members of my staff to review the commitments to which the member refers. I will be glad to report to him once I have reviewed that information.

Mr. Bounsall: Mr. Speaker, is the minister aware that fully one third of those 550 jobs being lost are in the machining area and, therefore in the auto parts portion of the auto industry, where there is already a very serious imbalance in trade under the auto pact?

Is he also aware that of the 1,900 engines which have been produced up to now in that engine plant, 1,400 of the engine blocks were produced in Windsor—the total capacity for production in Windsor—with 500 having to be imported from Detroit? In this cutback to 1,400 engines produced, it is still planned to import blocks from Detroit, even though the Windsor plant has the full capacity to produce them. Will he ensure that those 500 engine blocks are still built in Windsor and not imported?

Hon. Mr. Elgie: Mr. Speaker, I will review the portion of those questions that relates to the Ministry of Labour and will refer the other portion to the Minister of Industry and Tourism.

Mr. B. Newman: Mr. Speaker, is the minister aware that his ministry had been giving overtime permits to Chrysler right along, even knowing that they were going to shut down—

Mr. Martel: Get rid of those permits.

Mr. B. Newman:—and run into difficult days, as far as the heavy 360-cubic-inch engine is concerned?

Hon. Mr. Elgie: Mr. Speaker, I don't have immediate, first-hand knowledge of the overtime permits the member refers to. If he wishes to have specific information about the number of overtime permits, I'll be pleased to give it to him. As he well knows, some overtime permits are allowed. If he wishes, I would be glad to discuss them with him.

Mr. Conway: Is it true you're about to become Minister of Health?

Hon. Mr. Elgie: No. I'm about to become—never mind.

CHEST DISEASE CASES

Hon. Mr. Elgie: Mr. Speaker, recently the member for Cochrane South (Mr. Pope) asked several questions regarding the relationship between working in northern Ontario mines and lung cancer.

There is currently no way in which the board can identify all lung cancer claims submitted from hardrock miners because, up to the present time, lung cancer among miners in general has not been considered an industrial disease. Thus, there has been no occasion to specifically note such claims.

However, using the 30,000 miners being studied by the occupational health and safety branch—as I mentioned in the House on April 3—I believe it will be possible to identify miners who have died of lung cancer since 1955. If any such cases are discovered, they will be documented and held for future review, should the relationship between lung cancer and hardrock mining be established and accepted by the board.

As well, I should inform the member that the board currently has no method of identifying claims that may have been denied in the past for chronic bronchitis, bronchial problems or asthmatic problems. Under the new computer systems development program for recording medical statistics, however, it will be possible to retrieve rejected claims for any injury or disease.

Finally, in response to the member's inquiry about the activities of the Workmen's Compensation Commission of Quebec regarding the recognition of the relationship between diesel fuels and bronchial problems, the Workmen's Compensation Board is not aware of any guidelines developed by the Quebec commission to accept chronic bronchitis as an industrial disease related to diesel fumes. However, the board has written the

Quebec commission requesting any information it might have on the subject.

As well, Mr. Speaker, the member for Algoma (Mr. Wildman) raised a supplementary question regarding conflicting advice being given to miners, following chest X-rays, about the advisability of continuing to work underground. Currently, a procedure has been worked out by which Ministry of Health and Ministry of Labour personnel bring information pertaining to worker X-rays to the attention of the board's chest disease consultant. In conjunction with the chest advisory committee of the board, a final determination as to whether or not the workers should be removed from risk is made, based on X-ray findings and pulmonary function findings. If the decision is reached that the worker should be removed from risk, he then becomes eligible for the board's special rehabilitation assistance program.

I would think the member knows of the details of this program, but if not, I would be pleased to provide him with that information.

Additionally, Mr. Speaker, the member for Sudbury East (Mr. Martel) referred in an earlier supplementary to a study of chronic obstructive lung disease in nickel smelter workers. I have been advised the board has examined existing studies on this question and believes there is not, as yet, conclusive evidence of the relationship between chronic obstructive lung disease and work in nickel smelters. However, the board is considering carrying out a major study on the matter, and I expect this will be a topic of discussion at the next of my quarterly meetings with the board.

Mr. Laughren: Supplementary: Is the minister aware there are workers who, after working for years in the mines, have dust effects which show on their lungs but are not categorized as silicotic? When these workers apply for a job at any mine in Ontario they are refused employment because of the dust effects in their lungs, and the compensation board is refusing to provide any vocational rehabilitation to these workers. Does the minister think that's fair? If he doesn't think it's fair, would he direct the board to change the policy?

Mr. McClellan: The industry recognizes the disease and the board doesn't.

Hon. Mr. Elgie: There are a great variety of conditions encompassed in the term "pneumoconiosis," which is what the member is referring to, not all of which are symptomatic. If a worker is being refused employment on the basis of an asymptomatic pneu-

moconiosis then that is a problem I'm concerned about. If, on the other hand, the member is telling me there are workers with symptoms the board is not willing to review, I would be glad to discuss the problem with him or inquire into it with the board if he gives me specific areas he is talking about.

Mr. Warner: The minister should straighten out that board.

WELLAND HOSPITAL SERVICES

Mr. Swart: A question of the Minister of Health: Is the minister aware that there is agreement among the union workers, the nurses and the administrative staff at the Welland County General Hospital that the service there is continuing to deteriorate? Is he aware that the deterioration includes what he may think are such unimportant things as the non-provision of Kleenex, which they used to provide and which is supplied free in hotels, and the reduction in the frequency of providing juice to the patients in the hospital, a reduction below a 20-year level, and more important things?

Because there is a shortage of staff, there is an insufficient changing of sheets on the beds to the point where a man on his death-bed lay in his own stool for lengthy periods of time. That can be substantiated by the nurse. I will give the minister the name of the nurse on the floor. There is a backlog in the admitting department which at times results in injured persons not getting the immediate service they need. I will send the minister a copy of a report which has been given to me.

Will the minister, therefore, reconsider the miserly one and a half per cent increase he has given to that hospital this year?

Hon. Mr. Timbrell: Mr. Speaker, I have had no direct indication from that hospital that it is short-staffed. I may say that we are awaiting the receipt of budgets from all of the hospitals around the end of May to indicate what they are doing to live within their budgetary allocations. The standard and the quality of health care is something which is uppermost in our minds as we evaluate each of these submissions.

Ms. Gigantes: Your budget priorities are uppermost in your mind.

Hon. Mr. Timbrell: I have acknowledged repeatedly that this is a difficult time for everyone responsible for budgets, whether at the ministry level or at the individual hospital level. I think we have shown, that where problems develop we will, within the means available to us, do everything possible to assist.

What I will do is refer this unsigned document to the area team, which is the first point of contact with hospitals—the daily contact if they are having any problems—to see if there is something here that needs remedy. As I said, I am under no illusions at all but that it is a difficult time for all of us and puts everybody who is a manager to the test of his management skills.

Mr. Swart: By way of supplementary, in view of the statement of the minister that he is not aware of this deterioration, and that nobody has contacted him on it, may I give him in a few moments the names of 5,092 people who have signed a petition who are aware of that deterioration? May I ask him if he would go to that hospital and meet with the union staff and the nursing staff to find out for himself the opinion of those who are actually delivering the service on whether there is a real deterioration?

[3:30]

Hon. Mr. Timbrell: The honourable member may not know that I am in hospitals all the time. I travel a great deal, as much as time permits, so that I can see for myself the facilities in the various parts of the province.

I think the member would have to acknowledge the people responsible for that hospital are the board, his fellow citizens in that community and the administration. The door will always be open to deal with the people responsible for the hospital and—

Mr. Swart: You mean you won't meet with the people who are delivering the service?

Hon. Mr. Timbrell: —to deal with any problems which are brought to our attention. I think it would be highly irresponsible to try to leave the impression with anybody that we can have it both ways, that we can live within our means in this province and—

Mr. McClellan: That's your priority, Dennis. That's your priority.

Mr. Warner: Not health care.

Hon. Mr. Timbrell: Mr. Speaker—

Mr. Speaker: I think the answer is full enough.

PETITION

WELLAND HOSPITAL SERVICES

Mr. Swart: I have a petition to the Speaker. Members of the Legislative Assembly of the province of Ontario: We the undersigned residents of the Welland area hereby petition the Legislative Assembly to take whatever action is necessary to reverse the decision of the Ministry of Health whereby limited funding for the Welland County General Hospital

necessitates the closing of 30 hospital beds and the loss of a substantial number of jobs.

Specifically we petition that the funds be increased this year by at least the same four and a half per cent applicable to the other hospitals in Ontario.

Mr. Speaker: Order. I think the honourable member knows, as do all honourable members, that any petition that begs for the expenditure of funds is out of order. So you can just take it back.

MOTION

SELECT COMMITTEE ON HYDRO AFFAIRS

Hon. Mr. Welch moved that the select committee on Hydro affairs be allowed to sit concurrent with the House on May 3 and May 4.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Before the orders of the day, perhaps I should table the answers to questions 9, 11, 12, 13, 16, 18, 19, 21, 22, 24, 25, 32, 35, 37, 39, 44, 46, 47, 48, 50, 53, 57, 66, 68, 72, 75, 81, 83, 85, 88, 101, 128, 137, 139 and 140 standing on the Notice Paper. (See appendix, page 1498.)

ORDERS OF THE DAY

Mr. Nixon: On a point of order, perhaps the minister could indicate whether or not he has taken the bills in the order of his announcement last Thursday.

Hon. Mr. Welch: The difficulty is the Minister of Industry and Tourism (Mr. Grossman) isn't here, so therefore—oh, is the member for Simcoe East (Mr. G. E. Smith) going to take the bill? I am sorry, I didn't realize the parliamentary assistant was going to take that bill. Thank you.

SHERIDAN PARK CORPORATION REPEAL ACT

Mr. G. E. Smith, on behalf of Hon. Mr. Grossman, moved second reading of Bill 42, An Act to repeal the Sheridan Park Corporation Act.

Mr. G. E. Smith: I have a comment on the bill. As indicated in the explanatory note, the repealed act established the Sheridan Park Corporation to acquire, service and sell land to establish a centralized research complex, et cetera. Perhaps I might mention, for the information of the honourable members, that

the Ontario Development Corporation took over ownership of Sheridan Park in 1970, and at that time there were 105 of the 300 acres unsold. There have been no book entries on the books of the Sheridan Park since 1970 and the provincial auditor has requested its repeal several times. As a matter of interest only three and a half acres are left unsold at the research park at this time.

Mr. Hall: I think this is just a little matter of clean-up work and I guess it's long overdue. I'm advised that the auditor has requested this act to be repealed several times and there hasn't even been a book entry since 1970. I wonder how many other such acts need to be passed to tidy up the work? At any rate, whether it's long overdue or not, there will be no objection from us.

Mr. Warner: Apparently, the legislation is needed in order to dissolve something which isn't functioning. I guess the only thing you could add is we need a similar bill in order to dissolve the government across the way.

Mr. Nixon: I would just make one comment on the bill which will dissolve Sheridan Park as a corporation. I can remember the original bill instituting it and have watched with a great deal of interest as the facilities were established and the property serviced and sold under the jurisdiction of the former corporation to a number of important research establishments, not the least of which is Atomic Energy of Canada. I know that in their facility they do a lot of their program and project designs, and probably they are as advanced as any other facility in North America in this connection. I just wanted to state briefly, something that I said at that time.

I have felt, with the provincial involvement in that property, and with the number of top flight research capabilities centred there, that we, as a Legislature, ought to encourage the Minister of Education (Miss Stephenson) to work out some sort of high technology program whereby our senior engineers and technologists could get some kind of advanced degree or certificate of recognition for working on a basis of co-operation with the research capabilities out there. We are very proud, for example, of Ryerson Polytechnical Institute, and I have felt that it might even be a graduate school for Ryerson along the lines of the Massachusetts Institute of Technology.

Because of the really remarkable level of advanced technological achievement there, we could make available, to restricted numbers of students, a co-operative program which could be second to none in the world with the kind of initiative the Ministry of

Education might have taken. Even under the new jurisdiction there is still time and I hope that the parliamentary assistant would agree with me that the matter is worth at least some investigation.

Mr. Deputy Speaker: Is there any other honourable member wishing to participate in this debate?

Mr. G. E. Smith: Further to the comments of the honourable member for Brant-Oxford-Norfolk, certainly his suggestion has some merit and I will take the opportunity of drawing it to the attention of not only the Minister of Industry and Tourism, but more particularly to the Minister of Education and ask her to read his comments in Hansard.

Motion agreed to.

Third reading, also agreed to on motion.

NIAGARA MUNICIPAL HYDRO-ELECTRIC SERVICE ACT

Mr. Ashe, on behalf of Hon. Mr. Auld, moved second reading of Bill 29, An Act to provide for Municipal Hydro-Electric Service in the Regional Municipality of Niagara.

Mr. Ashe: Just very briefly: The members are well aware of the background of this legislation. It has been approximately three and a half years since the restructuring process started. It culminated last fall with Bill 180 and this Bill 29 is successor legislation. Basically it establishes 10 new municipal hydro-electric commissions in the regional municipality of Niagara. Other than the changes previously identified on first reading, the bill is substantially the same as its predecessor, Bill 180.

Mr. Hall: Mr. Speaker, I have some concerns about this bill as a matter of principle. I may be the only member in this House who feels this way, however I represent four of the smaller boroughs in the Niagara region and I want to take a little time to set out some of the problems they face.

Niagara was blessed with regional government in 1970—"blessed" should be followed by a question marked obviously—and at that time they didn't know how to cope with questions of hydro commissions. They put that aside and among other things froze the membership to those persons who had last been elected. In the meantime, regional government in all its glory proceeded and in 1979 we have a regional water system, a regional sewer system, a regional police system and goodness knows what other great regional groupings.

However, to call this a hydro restructuring is to me laughable. It's a non-restructuring.

Essentially the bill establishes 10 commissions where 12 had existed before.

The mover of this bill has said it's a result of three and a half years' work of the restructuring committee. The committee did work very hard over two or three years to come up with its answers. It had certain guidelines, as I understand it, laid down as a result of the Hogg commission. Among other things, it said any new scheme of restructuring would have to produce commissions which would be viable. Viable to me in this sense means economically viable—able to live and stand on their own feet.

It was under this approach the various members of the restructuring committee worked—under the chairmanship of Mr. Kaupp of St. Catharines I believe. Finally, after considering alternatives and holding public meetings, they came up with a majority report recommending two commissions in Niagara, essentially along the lines of the old counties, Lincoln county and Welland county. That report was communicated to the provincial steering committee, I believe late last spring or early summer.

[3:45]

The provincial steering committee considered their report and altered it by recommending one Niagara regional hydro commission. One would think that would end the matter. However, for many reasons of which I am not aware, the ministry in late September, through the Deputy Premier (Mr. Welch), announced legislation would come forth last fall for a concept completely different than what the restructuring committee had recommended. It was for what is called lower tier, the 10 commissions suggested in this bill. Not only that, but I believe some of the small commissions involved were advised they had something like three or four weeks to decide whether or not they would, as in the case of Grimsby, stay with the small commission or set up a whole new structure which would encompass the whole municipal boundary and take in what used to be the township of North Grimsby.

For areas like west Lincoln, which had a small commission in the village of Smithville, there was no need to consider whether they would take in the vast area of west Lincoln; it was just an absolute impossibility. Similarly, for the town of Lincoln, which consists of several small municipalities several miles apart with only one commission in the town of Beamsville, again there was no choice; they would have to stay small. The same applies to the town of Pelham. There was great consternation

at the different councils because of this, and quite understandably so.

The effect of the lower tier situation to them means that for now and in the foreseeable future the small communities will be paying considerably more for their hydro than the people living in the cities of Niagara Falls and St. Catharines and the Welland-Thorold area. Inasmuch as these small communities have had other restraints placed upon them and really cannot hope to grow much in the future, it presents a big problem. The big will tend to get bigger and the smaller ones will certainly stay small. Under this bill, the small will pay more for hydro, in my view, now and forever.

When I say they have restraints put upon them, the very nature of regional government, among other things, established regional funding for sewers and water. The small community can't act on its own accord now to initiate developments without having the funding come through the region, which in turn of course is supported by funds from the Ministry of the Environment.

Overriding this, and in addition, in the Niagara region we have a planning device which is relatively new to Ontario called urban area boundaries. Again, it seems Niagara is the area where we have to experiment in types of government and in planning decisions.

With the restraints the small communities can't do anything about they obviously won't be able to grow; and they will be facing considerably higher hydro costs than people in the city.

I live outside the Grimsby commission and I buy power from Ontario Hydro on the more preferred of two rural rates. My average bill for the past three months of January, February and March was \$68 a month, and that is a substantial cost indeed. It can be argued that we have regional water rates, but the water cost to any home owner is nothing like the hydro cost. We have a government that, in my mind at least, has walked away from its responsibilities having told us regional government was in place. In the final crunch, when it came down to a matter of hydro, they counted the votes and backed away from their principles as to the merits of regional government and the concept of cost-sharing over a broad area.

We are hurt of course in the small communities by a lack of ability to attract industry in the future. It is unfortunate because while the cost differential hurts the small community, had they proceeded with

a two-commission setup or even a regional setup, it would not have hurt the larger areas that much at all. Ontario Hydro often spills more than this difference.

Most of the small commissions will have to buy all their services, maintenance crews, pole-erecting systems and what have you from Ontario Hydro, which will have to remain a presence in Niagara forever, because these communities will never get to be big enough to be self-sufficient.

One small example: If they were to establish their own yard, they would immediately run up against problems in such things as inventory of parts. There would always be a need for some variety of parts, but a small commission could never justify the inventory costs; whereas a regional utility, on any economy of scale, could very easily afford to supply transformers or major substation components.

Another strength that would have been offered by a larger system is when storms strike one part or another of the peninsula. Small communities on their own will not have the forces and will have to depend on Ontario Hydro, whereas if they had been part of a broad commission they could have worked with one another.

While I have never been a proponent of regionalism, now that it has been in existence for 10 years, to turn our backs on it and walk away from it is hard for me to understand. It was interesting because the information provided to my councils is that the ministry never received the majority report of the local study team, yet it certainly did receive the minority report. Which is a rather strange admission for the ministry to make, as it did last fall after the bill was worded and put into action. Indeed, the provincial steering committee has been abolished by this time and does not even exist any more. The haste last fall, after years of dilly-dallying around, is still a question mark in the minds of some people. I can tell you, though, Mr. Speaker, that there are still people in the ministry, and very highly placed in the ministry, who do feel a mistake is being made here and there should be two regional commissions or one commission.

For a small community such as Grimsby I have numerical costs. The present debt of the commission is small, taking the old town boundaries as the limits. Based on the 1975 figures, there is a capital debt per customer of \$12.78. Had they been forced to go to the entire limits of their boundaries, they would have picked up possibly 3,000 customers; but they also would have picked up \$1.1 million in capital debt, which would

have been something in the area of \$200 per customer.

Grimsby is the closest to being viable. The other communities, as I say, are a long way off. It was for that reason we first approached the minister last fall, because in Bill 180 Grimsby was actually included as one that was able to stand on its own two feet. Contrary to what the restructuring committee report had suggested, not heading towards lower tier, it was quite a shock to them to find that within three weeks they were supposed to decide and respond as to whether they should indeed be a much larger operation and assume a debt of \$1.1 million. They quite wisely wanted to hold off and join that smaller group of municipalities which at least have a chance to review the matter in three years' time.

I want to talk a little bit about the concept of reviewing the potential of including the whole of the municipal boundary and all the users. The act says that a study is to be made every three years. I can tell members that some of these communities will be studying it for a long, long time; and it won't make sense economically.

At the same time, according to advice given in writing by Ontario Hydro staff in the Hamilton area, the municipalities will have to pay for these studies made every three years. This represents a further concern to some of our municipalities.

Mr. Speaker, to reinforce that statement, I would like to read you a resolution adopted by the council of the town of Pelham at a regular meeting on January 29, 1979:

"Whereas, under Bill 180"—which was the previous number—"council of local municipalities will be required to study the feasibility of whether the local commission should be enlarged to handle the total electrical distribution system in the town, including those portions of the municipality handled by Ontario Hydro; and whereas such a study must be done once every three years; and whereas the act gives very little information respecting the type of study, the depth of study or who shall assume the cost of such study;

"Now, therefore, the council of the corporation of the town of Pelham respectfully requests the province of Ontario to set out in the legislation the type and depth of studies that must be carried out by a local municipality to satisfy the particular provisions of the act respecting the study; to set out clearly in the act that the cost of such studies will be assumed and paid for by the province of Ontario or its respective agency, Ontario Hydro; or, alternatively, will provide

grants equal to the cost of undertaking such a study; and to modify Bill 180 when it is reintroduced to the Legislature in the spring to reflect the request contained herein."

I'm afraid that hasn't been recognized in the text of the bill. But I submit that when the bill goes to committee possibly there would be an opportunity for consideration of what is fair treatment of these municipalities in this regard.

Regrettably, the bill restructuring missed an opportunity to address other problems in the community. I am sure the House can easily visualize a street with one power line serving it; with people on one side of the street paying a low energy rate by being in the commission area; yet their neighbours 75 feet away pay a considerably higher rate because, not being in the commission area, they have to buy from Ontario Hydro.

It is unfortunate that the powers that be didn't give the local commissions an opportunity to realign their boundaries with a sense of fairness and at least go back line. The concept of using the centre of a built-up street as a dividing line is not very smart, once you get out into the small towns. It sets up awkward situations. I have heard complaints from several council members about that very problem.

It wouldn't have hurt to have provided a little flexibility. I suspect the reason they didn't want that done was that they wanted to capture as many high-rate customers for the revenue that would go to Ontario Hydro to sustain what they designated as a rural area. But it gets pretty silly in certain parts of a commission boundary.

Another aspect of the bill I'd like to bring to the government's attention in committee has to do with recognition of who should sit on future commissions. While the bill goes on for several pages on different aspects of housekeeping, there is one thing, in this regard, that I want to express to you, Mr. Speaker.

[4:00]

I said earlier that the policy of the government when regional government came into being was to freeze the elected membership in the last election, prior to the formation of regional government. Ten years have gone by, and while some of those elected members in some communities may still be active and able to make a contribution and be involved in the future work of studying the capability of taking a boundary to the whole municipal limit, in other areas that's just not the case. Time takes its toll.

I respectfully suggest that the bill could stand being modified so local councils in their wisdom would decide who would be appointed to the commission in the interim period up until November 1980, the first start-up period. Surely, a local council with the interests of its citizens at heart would be quick to reappoint those members from previous commissions who still were able to make a contribution. But to sentence some people, who may very well not even wish to be commissioners, with that responsibility, when 10 years have gone by and their health may be different, to me is a slap in the face to local governments.

As I have said, it's a tough enough situation for the small municipalities I represent, without also having the great, long arm of the province reaching out to tell them how to cross their t's and dot their i's on matters such as who in the community could best serve the community by appointment until November 1980. I could dwell at length on this matter. I have the feeling—and it's unfortunate—that after 10 years we still have a parochial problem in a large regional area. It's evident in this bill and it's evident in some of the behind-the-scenes pressures that must have been put on the government.

Undoubtedly, the figures are correct that 80 per cent of the voters live in cities which have and will have viable hydro-electric power commissions. Only 20 per cent live outside that area and will have to pay higher costs.

I think another factor has crept in. I can only surmise but I could easily visualize that where there are 10 power commissions that means there are at least 10 general managers, whereas if there is only one commission, there will be certainly fewer opportunities for advancement in the bureaucratic aspects of the commissions.

As a result of a lot of work by a lot of people, after a long delay, we have a situation where we have ended up by really going for status quo. It should be an example to the government and to other areas contemplating regional governments and contemplating restructuring of hydro that a lot of good work can often go down the drain and the majority report can apparently just be rejected out of hand. I think that's an unfortunate set of circumstances.

My concern is purely and simply that, despite the best intentions of the study team, in terms of dollars and cents it would not have hurt the cities a great deal to have accepted a regional concept in the bill. This bill does the reverse. It hurts a smaller number of people but it hurts them a good deal

more in terms of dollars and cents. This is only with our analysis of what hydro costs us today. We don't know five, 10, 15 years down the road just how much hydro will cost. If that differential spreads as hydro costs increase, it will be a substantial amount of money for people living in rural areas.

That is the extent of my comments at this time, Mr. Speaker. There may be some opportunity for minor improvement in committee. I do wish to acknowledge that the minister was willing to modify the circumstances with regard to the town of Grimsby at our request. That is appreciated.

I want to reiterate that the matter of local autonomy in the selection of commission members seems to me something that should be considered. The question of the funding of studies and the nature of the studies that will be required by these municipalities is I think another important matter to be considered.

I'm looking at the hydro bill of the member for Erie (Mr. Haggerty). I am just delighted to see that he's paying less than I am at any rate, but he is still paying at the rate of \$37 a month as a general class of service and actually by the time he has finished he is well up over \$40 a month which, as you can calculate, Mr. Speaker, would run an average home somewhere between \$450 and \$500 per year. That's a substantial amount of money. I feel that the small municipalities—Pelham, West Lincoln, Grimsby and Lincoln—have been unfairly treated by this bill.

Mr. Swart: As you might expect, Mr. Speaker, I want to make some comments on this bill—a bill which affects the municipalities which I represent in this Legislature and all of the Niagara region.

I want to say that I'm happy to have this bill before us in this Legislature at long, long last. I want to tell you that during the 10 years since the hydro commissions were frozen in the Niagara Peninsula—and they of course were frozen as to their then boundaries and as to their personnel—the frustration among the councils and the hydro commissions and the public had reached a point where it was almost ready to explode, and did in some instances.

When the regional municipality of Niagara was formed in 1970—actually the bill was passed in 1969—and amalgamation of some 26 municipalities into 12 new ones took place, those in the urban-rural areas, those parts of the rural municipalities which had spilled over largely from the towns and the cities next door, expected that one of

the benefits they would get would be lower hydro rates, because they were taken into the commission and then when the bill was passed of course, they were frozen out of that. Over this period of 10 years many of them have paid—as pointed out by the member for Lincoln—rates which were far in excess of those paid by their neighbours across the street in the other side of town where they had a hydro commission of their own.

In my own municipality, the city of Thorold, investigation over the years showed that this difference ran in the neighbourhood of something like 33 per cent additional to the urban-rural dwellers—I believe that's the terminology used. They have two classifications under rural hydro; one is urban-rural, R-1, and the other is R-2, which is rural. It was about 48 per cent difference in the rural section of the municipality. That varies, of course, as rural hydro rates may not have increased at the same time as the urban rates, or vice-versa. But in Thorold even at the present time there is a difference of 16 per cent.

Incidentally, where I live—I am one of those in the urban-rural areas—the rate is 16 per cent higher than just across the street where the electricity is provided by the Thorold Public Utilities Commission. The people who live in the rural part of Thorold pay something like 26 per cent more.

The city of Welland, even at this time, has rates very substantially below those of the rural hydro. An average residential consumer in the city of Welland at the present time pays a two-months' bill of \$39.70, but those people who are within the city but still connected to the rural system are paying \$52.97—34 per cent higher. Those who happen to live in the agricultural-rural part of the city of Welland pay \$57.20 or some 44 per cent higher.

These differentials have existed over these 10 years. As you can guess, they have caused a great deal of dissatisfaction among those urban-rural or rural residents who annexed to the cities or towns in the Niagara region with the belief—stated over and over again by the government when they were promoting regional government in that area—they would have lower hydro rates to compensate for the increase in taxes.

This reached such a point of frustration in the regional council of Niagara while I was there that on November 7, 1974, I moved a motion which said: "Whereas it is now almost five years since the Ontario government froze the boundaries of the municipal hydro-electric commission within the munic-

ipalities in the Niagara region and eliminated the right of citizens to elect their commissioners; and whereas this has perpetuated inequities now amounting in some instances to a 50 per cent rate differential between citizens in the same municipality, this council deplores the stalling of the Ontario government in lifting the freeze on existing commissions or providing some reasonable alternative."

The regional chairman was authorized to appoint a committee to come to visit the Minister of Energy here at Queen's Park. They came and were told it was in the works and the change would be made rather shortly. Whether or not it was going to be to a regional system, they were told the restructuring would take place and the freeze would be lifted.

It is now 1979, 10 years later, and I think today or next week, depending when we get it through committee and have third reading, that change will be taking place and the freeze will be lifted.

My first speech in this House when I was elected here in 1975 was on this subject: the injustices of hydro rates in the two municipalities which I represented—the tremendous contrast between those who had been annexed to the city of Welland and annexed to the city of Thorold, but were still served by rural hydro.

The member for Lincoln gave a bit of the history of what has taken place during those 10 years and I am not going to repeat it here at any great length. But I want to point out that in those 10 years we have almost come the complete cycle; we're almost back to where we were 10 years ago. In fact, what is now taking place could have been done within one year from the time the act creating the regional municipality of Niagara was passed in this Legislature. It sure has been a 10-year fiasco, and that is not an overstatement of the situation.

The first thing that was done was to appoint Task Force Hydro, which was to look at all Ontario. The task force reported back on December 14, 1972. It said municipal utilities would be rationalized into upper-tier regional utilities where and as new municipal government is implemented.

[4:15]

That was the recommendation of the report at that time. However, that didn't meet with unanimous approval across this province and further government committees were appointed. One was the Hogg committee report. It confirmed in 1974 that

there should be upper-tier hydro in the regional governments in this province. But then, on February 11, 1975, the Minister of Energy changed that policy and said, "The policy of this government is that it may be either upper tier or lower tier but it must encompass all of any municipality. There may be only one authority providing hydro within that municipality."

Then on July 8, 1977, incidentally, when the hydro for Peel region was being restructured—I suppose it was purely coincidental that it was in the riding of the Premier (Mr. Davis)—there was another statement by the Minister of Energy which said that the principle of the Hogg committee report was confirmed except for any municipality which had an existing hydro commission, which would be permitted to continue. So, we went around almost the complete cycle.

During the last three or four years, again as was pointed out by the member for Lincoln, there has been a local study team determining the structure for the Niagara Peninsula which was to report to the steering committee and to Ontario Hydro, and make reports back to the local municipalities. It was composed of very knowledgeable people. There was real controversy and understandably so; I'm not blaming people on either side. There was a split almost down the middle between those who wanted a regional system and those who wanted the system to be attached to the local municipalities.

The majority of the study team and municipalities wanted the upper-tier system, but the municipalities with the major populations wanted the lower-tier system. When the votes came in, in all instances they were very, very close and there was a majority report. It is my understanding that the majority report was sent to the government. In fact, the Minister of Energy told me they had it, and there was, also, a minority report which represented a majority of the population. When it went to the steering committee of Hydro, the recommendation was for the upper tier, but when it got to the government, it was decided that it would be at the lower tier.

The issue between these two groups was pretty clear—the reasons for voting the way they did. The large municipalities, which were only taking in a small amount of rural area proportional to their population, such as the cities of St. Catharines, Niagara Falls, and Welland, and which could buy out the rural system at a minimal cost compared to their total capital investment in their own

system, supported the local system. The semi rural and the rural municipalities, where there was a large capital cost compared to the population, opposed it. The simple facts are, the big cities—big by our standards in Niagara—would have been subsidizing the rural area and they divided largely along those lines. I think the member for Brock would agree with that statement.

There was, however, one other factor. And that factor was there were many people who had a distaste for regional government. They didn't want to see anything more at the regional level. Even some of those in the study group and some of those people in municipalities where it was shown they would have a substantial financial saving through their own municipality, voted in favour of the lower tier because of their dislike for regional government and their fear of what might happen if it went to the regional level.

I just want to say here that although I tried during this period of time to read all the reports and absorb what was said and keep an open mind, I think I have to say I basically agree with the government in its decision to place the provision of hydro at the local government level.

Mr. Speaker, it is nice to have you in the chair.

I want to say here, Mr. Speaker, I think the government should go one step further.

The Hogg committee report recommendations were broken down. The report said there should only be one hydro authority in any municipality. The government said that too but, as I have already mentioned, when it came to the restructuring in Peel, they broke that down. They said, "There is the community of Bolton which should have its own hydro system. The surrounding municipality"—and I have forgotten the name of that surrounding municipality; Caledon, I believe that's right—"is so large, mostly rural, we can't afford to put it all in one. We will allow rural hydro in one part of the municipality and a commission in the other part of the municipality."

I am not too sure I disagree with that, but what I do disagree with in this bill is re-establishing the boundaries of those commissions on the same boundaries they had 10 years ago. I think it's perhaps almost the worst of all worlds. Many of the municipalities, such as Pelham, have an option. Thorold might yet get into this category. I think they are having a meeting tonight and if we don't pass this bill, they may be asking for some change. I am not sure of that, but whether it's

Pelham or Niagara-on-the-Lake, or Lincoln, or Grimsby, the option they have is either to extend the commission boundaries to the limits of the municipality or to stay with what they have at the present time.

If they stay with what they have all of the old injustices still remain. There is the urban core under a commission. Immediately adjacent to it will be rural hydro and the rates there will be 25 or 35 per cent higher. There will be no planning from that core to supply those people outside. It will all be under rural hydro. There will be two separate systems in the same municipality. All of the old injustices are still there and if anything, they are magnified because of the urban growth that has taken place around those cores since 1970, in 10 years.

The other alternative is they must go out to the boundaries, to the limits of their municipalities. It is recognized they can't afford that at all.

We have the report here of the technical study committee, Electrical Utility Restructuring in the Regional Municipality of Niagara, the resource group report, which was the technical report. It shows that, for instance, if they make one commission for all of Grimsby, in South Grimsby the increase in the urban area will be 42.9 per cent. The increase in the area served by rural hydro will be 18 per cent higher than rural hydro if they take the whole municipality in. If you look at Fonthill, the figures are somewhat similar. In Pelham, there will be a 42 per cent increase for those within the urban area and 18 per cent for those who are situated in the rural hydro area that would go into a Pelham commission. The council in Pelham cannot possibly institute a commission for the whole municipality, and yet the alternative is that they must go back to the boundaries of their old commission.

Hon. Mr. Welch: But any piecemeal inclusion of the rural area still leaves two systems.

Mr. Swart: I suggest that if we extend the present boundaries of the commission, in consultation with the municipalities, to take in the immediate compact urban area—let the municipalities take a look at it and include that—but now we are passing a new bill—

Hon. Mr. Welch: But you still leave rural subscribers within the municipalities.

Mr. Swart: Of course it will still leave rural subscribers, but they are going to be better off than if the whole municipality were taken in, aren't they? Many of those, from the figures I gave, are going to be better off—and

the member for Brock knows these figures probably better than I do—

Hon. Mr. Welch: But I speak to the member's argument about the breaking up of the recommendation and having two systems. We're still going to have two systems by his logic or by his argument.

Mr. Swart: I am saying that if we have come back to two systems—and the government has come back to two systems; there is no question about it—then let us make those systems realistic. Let's draw reasonable boundaries; that is what I am saying. Let's not re-establish the old boundaries. I say to the member for Brock and to the members of this House, and particularly the members from the Niagara area—it perhaps won't affect Niagara Falls too much, or St. Catharines, but it will sure affect Niagara and Pelham—that we are going to have a very dissatisfied public there.

After this bill goes through, all the people who live in that urban area around the old village of Fonthill—the Deputy Premier is familiar with that area—are going to be exceedingly unhappy, and rightly so. After 10 years of examining the situation, they are going to be right back where they were.

We will be submitting an amendment on this—and I hope the government will take a good look at it—to permit municipalities to take a look at new boundaries before October 1. I am hoping that the government and the members on the right-hand side, as a compromise, if you will, will look favourably on this amendment which we are going to be putting forward.

Hon. Mr. Welch: What about the people on the other side of your line?

Mr. Swart: The people on the other side of the line I am talking about are going to be better off than they would be if they are put in a commission for the whole municipality. The member for Brock must admit that that is the case, by the figures which are put out in this document.

Hon. Mr. Welch: I'm not so sure I would admit that.

Mr. Swart: I would like to talk to him privately afterwards if I may, to show him these figures; he may not admit it publicly, but he knows they are correct.

We can move to those new boundaries, as decided in consultation with the municipalities, and if they want to be firm from then on, very well, be firm. Either say, "That is as far as you go," or, "Go all the way." That may be reasonable. I suggest this is a compromise.

[4:30]

Let me just put forward another argument relative to this. As the member for Brock knows, he is representing the government here. If I address him a great deal I hope he will realize it is because I know that whatever he decides will filter through the rest of the cabinet and we will get agreement.

In all of these municipalities now in the Niagara region, with the exception of Wainfleet, they have established urban service areas—true for St. Catharines, true for Thorold. These go out some distance from the urban centre to allow for development in the future. Unless the government does what this party is suggesting, it is going to have all kinds of people who are within an urban service area for all other purposes—paying for water, sewer, street lights, all of the urban services—yet who are still going to be paying a rural hydro rate. Therefore, I think it makes eminent sense to try to somehow or other have the hydro service boundaries conform—perhaps they cannot be exact—with the urban service boundaries. I am hoping that when the amendment comes forward both the government and the members to the right will give favourable consideration to this amendment.

I am going to speak briefly on one or two other issues. We do not propose any amendment to this bill to deal with the issue of whether hydro commissions should be members of council, or whether in fact there should be hydro commissions. Among municipalities there is a general feeling which I share, that the ad hoc groups and the quasi-municipal groups should be merged into the council for efficient operation. I think perhaps the authority for hydro should ultimately be vested with the councils as well as the authority for water and sewer and all of the other services.

I must say that when regional governments were formed, and even where they were not formed, there have been some positive steps taken by the government to eliminate some of these bodies which had proliferated to the point where municipalities had very little authority left. I commend them for it. But I say that at some time they should also be taking a good look at hydro commissions and whether they should become part of council's responsibility.

The other comment I want to make pertains to the purchase of the rural plant where municipalities are having to take it in. Looking at the bill—and this was the situation with regard to the other restructuring acts which were passed by this government—the municipalities have to pay a very substantial amount for the rural plant they

bring into their commission's system. I suggest the amounts being charged are perhaps unrealistic.

The bill states that the municipalities shall pay the sum of the accumulated net retail equity of the customers supplied with power through the assets and the accumulated depreciation associated with the assets. Now if we were going out to buy a property ourselves, Mr. Speaker, it seems to me that would be a very reasonable way of purchasing it. But I want to point out that the people in these areas like the Niagara region have been paying in their rates towards capital all these years. Now after having bought the capital in their rural rates, they are now going to have to buy it over again. They are actually, according to this, going to pay for those capital assets, less the depreciation. Why should they not be given credit over the years for some of the money they have paid in?

If we took this to its logical conclusion and ultimately got to the point where the province got rid of all rural hydro commissions, Ontario Hydro would end up with a huge amount of money for what they had sold, namely, capital. The people of Ontario have paid for this. Therefore, some consideration should be given to changing that method of determining the amount that municipalities should pay when they take over the rural plant.

I have one other very minor thing. On page four of the bill, section 2(13), there is a clause that sets the maximum remuneration for the commissioners. I find some objection to that. First of all, it seems to me to be terribly unrealistic. It says: "The salaries of the members of the commissions established by subsection 1 for the term expiring with November 30, 1980, shall be fixed on or before October 1, 1979, in an amount that does not exceed the highest salary paid to the members of municipal commission operating in the regional area within the meaning of the Regional Municipality of Niagara Act on January 1, 1979."

Mr. Acting Speaker: I might remind the member that we can deal with individual sections when the bill reaches the committee stage. We are just speaking to the principle of the bill at the moment.

Mr. Swart: I am going to close by saying that it seems to me there is a matter of some principle here. They put this in this act, although they have given municipalities the power to set out the salaries of other commissions. They don't have to refer to any act. It is totally unrealistic anyhow, when we

have a commission serving 3,000 people and another one serving 125,000 people, to say that those commissioners in the one serving 3,000 shouldn't go above the maximum of the one serving 125,000.

If anything, what it will do is encourage increases in salaries. If the bill intended to keep them down, I would suggest the reverse will happen. It will encourage them to increase them. Quite frankly, those people in places like St. Catharines or Welland are going to have a lot of work in the next six months in amalgamating the commissions and the rural system with their own system. I don't know if St. Catharines is the one that pays the most, but if it is it has to set the salaries right at the limit that exists there now.

I apologize, Mr. Speaker, for perhaps going into too much detail on that one at this time, but these details can be discussed when the bill goes to committee. I want to conclude by saying, regardless of whether amendments are adopted in this House in the committee stage or whatever takes place, we have to pass this bill this spring and get on with the job, regardless of how the structure is set up.

Mr. Kerrio: Mr. Speaker, I rise to support the bill in principle and I would ask the parliamentary assistant to consider an amendment I will move in committee. It is quite straightforward, and because I made my position rather clear to the minister, I am somewhat disappointed. I thought he might have included my request in his bill.

We in the area of Niagara Falls have in the past had two commissions, the commission from Niagara Falls and the commission from the village of Chippawa. We have been asked subsequently to take in a very small rural portion, some 600 customers. We have been blessed over the years with very good representation on the various commissions. My amendment will have to do with asking the minister to keep those people in place during the transitional period.

While I can't discuss or debate the bill until it goes into committee, I would ask that the minister or his parliamentary assistant consider our request, because in the bill itself the government has seen fit to allow local autonomy to take precedence over many other areas that have been regionalized. The very fact there are 10 commissions being set up throughout the Niagara Peninsula would indicate the government has made that a paramount procedure in dealing with this aspect of regional Niagara.

On that basis, it would follow that because the city of Niagara Falls passed by resolution a request to have that commission from the two jurisdictions kept in place—some seven in number—and the fact that those 600 people who were formerly in the rural areas are represented on council by the member who moved the resolution, it should be very obvious to the parliamentary assistant those people will be well served by the commission that's in place.

Formerly that area was served by Ontario Hydro and did not have any direct representation. Because the rural member has seen fit to move the resolution on behalf of the city, and because the government itself has seen fit to have this kind of involvement by the 10 commissions, I would ask the parliamentary assistant to consider that kind of an assessment in the content of his bill. That is, he should consider keeping that commission intact, or at least allowing the municipality to go through the process of keeping those people in place during the transitional period. This is when it's most important to have people with experience who can carry us through those times when I think experience is most necessary.

I ask him if he will consider changing the bill, and, if not, if he will support my amendment in the committee stage.

Ms. Gigantes: Mr. Speaker, I will be brief. We will be supporting the bill in principle, in spite of a lot of questions we have about it and some possible amendments to be put forward from the NDP.

I would like simply to indicate to the parliamentary assistant that I, in particular, want to be asking three general kinds of questions about this bill as it relates to the overall reform of hydro structures in the province. I know we've been through bills like this one in the last several months. One wonders at what point we're going to be able to establish more general principles that suit what will be, very shortly, the decade of the 1980s.

I want to ask the parliamentary assistant to the minister about the whole principle of having hydro authorities come under the authority of municipal councils and why the government is still seeking to limit councils' authority in that manner—as suggested by my colleague, the member for Welland-Thorold. If, during a transitional period such as is provided for in this bill, the ministry feels it necessary to retain some of the structures and some of the representation that have existed in the past in the Niagara region, why not propose, while this legislation is before

us, that for any municipality which wishes to take on the authority it would be permissive? Any municipality which wishes to take on the authority for the operation of hydro within its boundaries should be permitted to do so. It seems to me that is the direction in which municipal councils, with some government support at the provincial level, have been moving. That's true in the area that I come from, the Ottawa-Carleton area. I think it's a progressive step and I'd like to see the enunciation of a clear government policy on the question.

[4:45]

I would also like to raise some questions during the committee stage about the provisions that are being made within this bill for the swapping of authority and facilities with the Canadian Niagara Power Company Limited. I have some concerns about that, and I would like to get a detailed explanation from the parliamentary assistant at committee stage of what is involved in a swap with an American-owned private corporation which is running a utility in the lowest-cost area of the Niagara Peninsula. I would like to know how that benefits the people in that region, or how it is supposed to benefit the public Ontario hydro system as a whole. I hope the parliamentary assistant will be prepared to answer questions along that line.

Mr. Isaacs: Mr. Speaker, restructuring is obviously a big step forward but, like my colleagues, I'm not at all happy about the way it is being approached. It seems to me that this bill, the others that have been before this House previously, and the geographic areas for which restructuring is still being considered, demonstrate a real lack of leadership on the part of the ministry concerned.

I'm really unhappy about the idea of local option and local negotiations when it comes to the hydro problems we face in many municipalities. The approach that is being taken, and has been taken in Niagara and is still under way in Hamilton-Wentworth and in some other regions, pits the residents of one geographic area against the residents of another. Unlike sewer and water service, hydro is provided to almost every home in, at least, southern Ontario. In that regard, it's more like a social service.

It seems to me that we should either have it at the same rate for all residential users, which may not be practical at this time, or we should have a rate that is based on the cost of providing service, not on geographic boundaries, but on urban versus rural, something along the lines that Bell Canada uses for the provision of telephone service, based

on the type of service one receives rather than on a local option determined by a vote of the local council.

A second point that concerns me in this bill relates to the matter of appointment of the hydro commissions. There are provisions in this bill for the commissioners to be elected by a general vote of the customers of the utility unless the local council decides otherwise. I really don't understand the philosophy that lies behind this provision. What is democracy in this province and in this country? Are we moving to a situation where we'll soon be electing dog catchers, where we'll soon be electing sanitary engineers, where we'll soon be electing all municipal employees, as they seem to do in a country that neighbours this one, or are we moving in the direction of giving local councils a clearly defined role in our democratic system?

I believe we should move that way, that local councils should be given responsibilities and allowed to carry out those responsibilities without encumbrances such as this. I really don't understand the thinking behind these provisions in this bill, and I hope that the parliamentary assistant will be able to explain in some great detail during committee stage.

Mr. Haggerty: I want to address myself to Bill 29 this afternoon, perhaps with some reservations.

I have had the opportunity in the past six or seven months, since the bill was introduced last fall, to review some of the matters relating to restructuring of hydro. If I look at the Power Commission Act of 1973, an act to amend the wholesaling of energy through retail outlets under the Ontario Municipal Electric Association, I see that at one time this association had rather special powers, in a sense. It was included in the policy making of the Ontario hydro system. The changes and restructuring in this bill remove some of that bargaining power from the Ontario Municipal Electric Association.

I am concerned about that part. I think somewhere along the line Ontario Hydro has to be accountable to somebody in our society, whether it be the Legislature or the Ontario Municipal Electric Association. I am concerned about that because they have had good relationships in the past. In fact, they have had some policy decision-making efforts to bring hydro to its present state in the province of Ontario, a rather prosperous and healthy energy-producing association.

There have been some comments related to the cross-structure, the rate disparities throughout the region. I am concerned about that. The member for Lincoln mentioned my

hydro bill being \$43.34 a month. Well, perhaps there should be some clarification on this. It is rather high. It is higher than that in some other areas.

As a rural customer of Ontario Hydro I've had good service from them. It may cost me more but I am paying for my own water system. I don't have a water bill handed to me every month or every second month from the municipality. I have my own lighting system. I have a floodlight on my house so that I don't have to depend on street lighting. If one looks at those hidden energy costs not shown in hydro bills, there may be a higher cost for a local utility.

The Amalgamated Niagara South school board doesn't have one mill rate for all the schools; it varies through the municipalities. I suggest that one upper-tier utility with a uniform rate structure, is questionable. I think the rates would vary throughout the region.

A few years ago I received a letter from a ratepayer in the town of Pelham concerning the high cost of electricity there. I checked with Ontario Hydro at that time and they said they had installed all-new mercury vapour lighting throughout the area in question. The hydro man told me that somebody had to pay for it. So there was an extra cost and it was added to the hydro bill. Of course, that meant they were paying a higher cost for hydro.

So I bring this to the attention of the Legislature. Going to a single tier has been suggested in a number of studies. It has taken three and a half years to bring this bill forward. I attended several meetings related to the restructuring throughout the area and the feeling was, and it came through loud and clear, that people did not want any more regionalization of any services; regional costs are too high. They are afraid we'll have a uniform rate but wide disparities in the actual cost of billing each month. And it would happen. It's worked that way in the amalgamation of the schools; it would work this way in the amalgamation of local utilities.

I have a couple of gentlemen here from the hydro utility of the city of Port Colborne. I have been discussing with them, for example, that when the city of Port Colborne takes over that part of the old township of Humberstone, there's going to be a cost involved. I guess the debates have been going on for some three and half years or longer, to find out just what the cost will be, for the amalgamation of rural hydro and Port Colborne's utility. I don't know how factual it is, but it's been suggested it could be \$1

million or more. Somebody is going to have to bear the cost once the two utilities are amalgamated. That means there will be a higher cost to hydro users in the old portion of the city, or in the urban area as it is called now. So it could vary five per cent; it could vary up to eight per cent. I don't know what that cost will be. I've checked with the municipality of Wainfleet and they said if they were ever to establish a hydro commission they wouldn't know where they would get the money because it may cost them \$3 million to \$4 million to buy out the present facilities from Ontario Hydro.

That's something that really bothers me on this particular bill. Passing this bill reminds me of the bill passed for regional government. We're giving Hydro a blank cheque. Once this bill goes through then we'll sit down and tell them what we want for that facility, for that plant, all the lines and all the poles that are up and down each road in the rural areas. I can tell the parliamentary assistant now that I can't recall when I've seen a new hydro pole put in place since I purchased my property in Sherkston. It was probably about 25 years ago. Surely, like any other utility, the write-off is usually 20 years.

This bill tells me there should be a cost involved in this for the takeover by local utilities from Ontario Hydro. I think my colleague, the member for York Centre (Mr. Stong), raised this matter when that bill was introduced. He shed some light on the subject for the government. As I understand it, there is to be no cost for the takeover of this utility from Ontario Hydro when it's enlarged into a city or larger utility.

I suggest to the parliamentary assistant that that's something that should be in this bill. There should be no cost involved. Look at some of the long-term debts facing the municipalities. In my area, there's one that's \$8 million. Add another \$1 million or \$1.5 million onto that and their present program of heavy expenditures for water and sewer facilities, and I don't know where they are going to get the money.

There is something else that is missing in this bill.

Mr. Speaker: I'm sure the member for Erie knows that he should be speaking to something that is in the bill, not something that isn't.

Mr. Haggerty: I'm just coming to the bill now, Mr. Speaker. Normally a bill makes reference to the Ontario Municipal Board when a new debenture has to be issued or there is new financing. This bill does not include that. I'm suggesting to the minister

that if Ontario Hydro wants to unload their facilities in the area there should be no cost to the utility absorbing it. I suggest there should be something in the bill, or consideration given to a bill similar to that restructuring York Centre.

[5:00]

The other matter concerns the Canadian Niagara Power Company in Fort Erie. There should be a correction in the bill itself; it's not Bill 785, it should be Bill 783. Is there an amendment coming forward on that, I wonder? I am sure that has been brought to the attention of the Ministry of Energy.

In this particular area where the cost of electricity to consumers is mentioned, I suggest that Canadian Niagara Power should take over the whole region. What it means to me is—and I will be included under Canadian Niagara Power; they will take over 750 customers from Ontario Hydro—my bill will be reduced 25 per cent. In the agreement with the town of Fort Erie which was signed, I believe, in 1935 and it is a 50-year agreement, the cost to the customers in Fort Erie is six mills, or six cents per kilowatt-hour, which I think is a favourable rate. If that was applied across the region, we would have a standard rate that I think would be acceptable to all the utilities and all the customers.

That raises another question. If one particular company, a private company, can supply energy at that cost, why cannot Ontario Hydro. This particular company is Canadian Niagara Power but I guess it would be affiliated with an American power utility on the other side of the river, Niagara Mohawk Power. I suggest that the parliamentary assistant look at that; it could be advantageous for the people in the region to have Canadian Niagara Power actually take it over or perhaps we could purchase hydro at that rate.

Mr. Speaker, that's about all I have on this bill. I support it in principle but I think there are many things that could be added to it to make it a more workable bill. My main concern is the capital debt that would be required by certain utilities and, eventually, the taxpayers in the community, who will have to absorb that cost. I would suggest to the minister that the same consideration be given to this bill as was given to a previous amendment, on a recommendation by the member for York Centre. I think it shows that the government is listening and I would appreciate if the parliamentary assistant would give some consideration to that point.

Mr. Bradley: I rise in support of the principle of Bill 29, An Act to provide for Municipal Hydro-Electric Service in the Regional Municipality of Niagara.

Many times when we are involved in political life, there are those who say it is frustrating and many of our constituents indicate to us that this must often be the case. However, I think in this bill we see one of the strengths of the kind of input we have had at the local level in the Niagara Peninsula—input that was available to individual members of the Legislature from the peninsula. We see a decision being made which I am convinced was at least influenced by the minority situation we have in the House at the present time.

I am delighted to see that the government has opted for the lower-tier option as opposed to the region-wide or upper-tier option which many in the area, although certainly not the majority of people, were advocating. During the process there were some who even questioned the need for such a bill. Some have suggested it is legislative action merely designed to get Ontario Hydro off the hook in terms of retailing electric power to many of its rural customers.

The bill is before us, however, and some of us see it as, I think a rationalization of a situation that relates to the provision of hydro-electric power in a specific area of the province. Indeed, there has been extensive study and local input—some might suggest almost too much, although I would not agree with that contention.

On September 21, 1978, when this matter was up for discussion through the local media in the peninsula and representatives from various hydro-electric power commissions within the Niagara Peninsula and municipal councils were giving comments, an interesting chain of events took place that I would consider to be coincidental. I had a statement prepared to be issued on the next day and being relatively new to the process, at least at the provincial level, I happened to mention to some people the fact that the statement would be issued. I got a call from the Ministry of Energy, from an individual's office, asking for a copy of the statement, which I had not yet released. How that person happened to know I was going to release a statement saying I was against a region-wide utility and in favour of the lower tier that this bill brings forward, I will never know.

Mr. Nixon: The parliamentary assistant doesn't miss a trick.

Mr. Ashe: It was before my time.

Mr. Bradley: I can only speculate on how that information got there. Nevertheless, if I wanted to draw a logical conclusion I could draw the conclusion that the statement made by the representative of the government the next day, beating me to the draw, saying that indeed there would be a lower-tier option adopted by the government, was perhaps in some indirect way promoted by the potential statement that I was to make.

Mr. Nixon: The people back home appreciated that.

Mr. Bradley: On the other side one might disagree with that, but there are those who would be suspicious enough to agree. At the time I indicated, and I indicate now, that with all of the large urban municipalities—that is those representing 75 per cent of the Niagara region's population—and the major public utilities commissions indicating their opposition, it was incredible to me that any serious consideration would be given to imposing a regional utility system upon the people of the Niagara Peninsula.

There appeared to be little doubt that the board of Ontario Hydro was intent upon proceeding with regionalization of hydro services in the Niagara Peninsula. Some would suggest it was merely looking for some local body to rubber-stamp its wishes. It came as no surprise that the provincial steering committee would recommend the single-tier option, even though the local study team established to review the various alternatives involved in restructuring could reach no consensus on the subject.

Since St. Catharines city council and the majority of the members of the St. Catharines Public Utilities Commission stated their preference for the retention of a local commission to serve the city, it was obvious that any other option, be it a regional utility or a division of the region into two large commissions, would be unacceptable. It would seem appropriate, however, that the St. Catharines Public Utilities Commission accept responsibility for the hydro customers residing in the former Louth section of St. Catharines.

I think it is only right that those municipalities—and ours was in a position to do that—which had a rural area easily accessible, one that could be easily accepted into the structure without bumping the rates too high, should assume that responsibility. Certainly St. Catharines city council and its representatives, and I, as the representative from the constituency of St. Catharines, saw

that as being a very logical and reasonable outcome.

It seemed to me—and some people were suggesting it at this time—that by referring the matter to regional council for consideration Ontario Hydro, through the provincial steering committee, was looking for some elective body to endorse its own views and thereby place the stamp of legitimacy on the recommendation for a regional hydro system.

In the past the people of St. Catharines have already been forced to bear the lion's share of the financial burden of regional government and increases in regional water and sewage charges. It was unfair at that time and would be now to ask them to subsidize the residents of neighbouring municipalities through substantial increases in hydro rates. I am happy that by adopting the system we are adopting in this bill that will not be the case.

While there may have been some within the regional family who would have liked to see the regional municipality of Niagara itself assume responsibility for hydro services, I think it was clear—and some of the gentlemen perhaps in the gallery would agree with this—that the overwhelming majority of the residents of St. Catharines would see no advantage to yielding yet another power to what many consider to be a surplus level of administration. The member for Welland-Thorold dwelt on that to a certain extent, indicating that the atmosphere for a region-wide hydro system had been in effect poisoned by the fact that we had had such an unfortunate experience with regional government and region-wide charges in other areas. Even those who had benefited in the initial stages of regional government at the expense of the large municipalities were now recoiling from the opportunity once again to do so because of the fact they saw the total cost of regionalization was so great that even they ultimately would not benefit.

It seemed to me that neither a single utility operated by the region itself—and that was once considered by one of the regional individuals who had, perhaps, a vested interest or certainly an interest in having the region take it over and provide the service—nor one under the sole jurisdiction of a regional utilities commission, would serve the best interests of the people of the constituency which I represent. It appeared that a considerable number of representatives of other Niagara Peninsula area municipalities, some of whom may be in the gallery today, agreed with that.

I speak in favour of this particular bill. There are certainly some details that re-

quire clearing up, but I commend the government for moving in the direction I consider is correct, as do, obviously, many people on the other side.

I feel we have a situation where the capital debt must be looked at carefully. The member for York Centre mentioned during his comments on the bill as it affected his constituency, that we had to look at the supplying of plants, the supplying of capital assets by Ontario Hydro to the local commissions, and just what the cost would be to those commissions. I think the member at that time pointed out that some of these capital assets were accumulated through expenditures made by developers and, obviously, the developers are not taking it out of their own pockets so we know that ultimately that means they are being paid for through the residents who have purchased homes or properties in that area and had them developed, and through impost charges.

If some of these assets were accumulated in that way, it would seem to me fair and equitable that the people of that area should not be charged twice, once through the utilities commission and once through the impost fees that might have been charged for those assets. I would hope that through reasonable negotiations for a compromise that is acceptable to all concerned, the planned acquisition can take place on terms favourable to those commissions and municipalities who have requested it.

In conclusion, I hope this bill will be proceeded with at the earliest opportunity—it would be nice to conclude it this afternoon—and that suitable amendments, minor as they might be, can be made which will make the bill a little more acceptable to those of us on this side, and perhaps even to some individual members on the government side. In saying this, I commend this to the members of the House as a bill worthy of quick passage.

Mr. Ashe: Mr. Speaker, I must say I did not anticipate such participation by the honourable members. I have something like four pages of notes. I think everybody has probably realized by now that a lot of the points made were duplicated; in many cases they were exact opposites. I think from that we can see the problems that have come about in all the various municipal hydro-electric restructuring, and it has been rather difficult to reach a consensus. There was much mention of that; the long process, the majority report versus the minority report.

For the benefit of the honourable member who raised the point, I think it was the member for Lincoln, the government never did

receive the majority report, I can put it officially on the record, if it has not been done already—and I realize that reference to that fact was made by the member for Welland-Thorold—the government did, in fact, receive the majority report, albeit after the minority report was received. But they were both received through Hydro, which was the route they were to come and, of course, were considered.

The member for Lincoln talked about the blessings of regional government—to use his terminology—and many of the other honourable members made reference to regional government, sometimes in glowing terms, sometimes otherwise. But the comedy I find in that particular reference is it depends on who is putting it forth. For example, for the cost of sewer and water services, the representative from the larger municipality indicates that the larger municipality has carried the burden of regional rates by that municipality carrying a higher cost. When one hears the representative of the smaller community, one kind of hears the same thing. They cannot both be right. I believe it was stated that the hydro-electric service, as a utility, should be the same as the sewer and water rates and that everybody would pay the same.

[5:15]

In fact, I understand not everybody in regional Niagara does pay the same water rate at the retail level; in fact, the region is a wholesaler and all local rates are not the same. That's not much different from what we talk about in a public utility, whether it be the Ontario Hydro rural system and its two rate structures at the residential level, or even within a local hydro-electric system, where they are purchasing from Ontario Hydro—in the case of the local distributor, if you will—at a wholesale rate and adding on their local cost of distribution. That's why it would be virtually impossible, and probably not very fair, to have the same rates for everybody.

I will try to cover more specifically some of the points made. The member for Lincoln made reference to his bill, and many others have talked about their bills. They might be interested in knowing that my hydro bill is something over \$500 a year—and I don't have electric heat. I'm one of the privileged ones who lives in a rural-rated area. Mind you, the Durham restructuring bill will be coming—

Mr. Nixon: You're not paying rural rates, though, are you?

Mr. Ashe: Our one rate—the lower of the two rural rates.

Mr. Nixon: You could get an extension cord right from Pickering.

Mr. Ashe: I live right in Pickering. Pickering to date has not been blessed with a hydro utility of its own. Possibly a month from now it will have one in the works. I say "in the works." The "in the works" has been coming for a while. But I mean in terms of the legislation.

Mr. Bradley: That's a story we've been hearing quite often: "in the works."

Mr. Ashe: That one's coming.

There was mention by the member for Lincoln of the nature of the three-year review and the payment for same. First of all, may I say that it is up to the council as to the nature of its review. If nothing has greatly changed within the structure of the municipality—if there haven't been any great shifts in population or any great population growth—there really is no study to do. But it is up to the council at least every three years to acknowledge the fact that it is aware of it and to pass a resolution accordingly.

If there is need for greater study at that time—possibly because of changing populations, possibly because of the thrust of their populace on the council—one could be proceeded with in somewhat more depth. Even at that time I might say that much of the cost of the work in providing the statistics, particularly those relative to the Ontario Hydro areas, would be borne by Ontario Hydro, as it has been done in the past. The costs of their administration are borne by Ontario Hydro. Any additional local costs that would be put out would be borne by the local authorities.

There was mention by many members—and indirectly I'm speaking to an anticipated amendment which will be dealt with more fully in committee—about allowing municipalities to adjust their boundaries. Let me point out how completely unfair that would be.

We're all familiar with the term "load skimming." That would be it to the nth degree. Naturally, the utility and/or the municipality involved would be very pleased, as would the consumers who would benefit, to expand to some degree the present boundaries of a utility, particularly those who are not expanding to their boundaries right away.

But think about the balance of the people; not only the balance of the people in that particular area. We can say, "They're not going to pay any more than they are now." In theory, and I suppose in the short term, they will not. But keep in mind, if

this same philosophy and this same policy were put into effect throughout all the regions of the province, let alone all the other municipalities and public utilities commissions in the province, and they just expanded a little, what would happen?

The remaining people who are served by Ontario Hydro—whether they be in the lower-rated level or the higher-rated level—would obviously have to pay more. As you cut down the numbers receiving that service, they would all have to pay considerably more. Is that really fair? I don't think it is. It may be fair to a specific group of people, but it would be to the detriment of all the other consumers ultimately, in that municipality and ultimately throughout the province.

Mr. Hall: That's what the bill does in my four boroughs.

Mr. Ashe: I think it's also fair to say that there is no doubt, leaving it this way the existing boundaries with the ultimate choice, and the choice will be local, to expand to the boundaries of the municipality. Yes, I would think it would ultimately put some pressures on the council to look at that and, possibly, make a decision. But if they always knew they could just expand it another street or two, would they really ever take on that task and that responsibility? No, they would turn around and blame it all on Ontario Hydro for raising their rate levels higher than the local percentage increases which, as I mentioned, in terms of numbers has to be inevitable.

There has been a great difference of opinion on the nature of the commission appointments needing complete flexibility. I think you get to a point where local input, local autonomy, really has to come to an end. I think there has been a lot of flexibility, a lot of change from the original principles. Without completely throwing the original principles out the window I think what is in this bill is consistent with previously restructured situations.

We've had the extreme, for example, that would have no representation from existing commissions on the interim utility until November 1980. We've gone from that extreme to the other extreme where all of them carry on, bar none, and just add the numbers up. I would suggest that what is in the bill is, in my view, a very reasonable compromise. There is the autonomy to choose either an interim or intermediate commission of three or five members, acknowledging that if there is more than one commission already in existence there

would be five and, at the same time, indicating that from this commission being dissolved, there has to be at least half the representation. In the case of a new area brought in, similarly they would have to—and should quite rightly—have a choice in that commission in power until November 1980. In my view, that's a compromise, not only in terms of the numbers but in terms of having some continuity.

I frankly don't buy the necessity of carrying everybody, albeit, they were—and I'm sure, are—good people, because they are well spoken of and well regarded not only by the commission itself but by the council and the members. Nobody disputes, I'm sure, the amount of positive input they have put to their duties over the last number of years they have been in office. But I think it is fair to say that the continuity of that good service could just as well be served by a lesser number of the seven.

On the other side of the coin, the extreme that said, "We don't want to appoint anybody who's on the existing commission," I think it would be unfair for the continuity of that commission not to have representation and a voice from the existing commissions during that interim period. So I think the three and five is a reasonable compromise that, hopefully can be acknowledged by all.

I'm told there is no commission in the province that would have numbers in excess of five. I really don't think, all things being said and being fair, that the municipality represented by the member for Niagara Falls should have a different representation than any other PUC in the province.

Mr. Kerrio: In the interim, yes. It's just a common-sense approach.

Mr. Ashe: A common-sense approach is to have continuity and I think the legislation allows for that.

Generally, of course, there has been support for the legislation, and I appreciate the support mentioned, although after listening to some members I'm not quite sure that's what they were saying at the end or not.

Mr. Nixon: The member for Grimsby made it very clear he wasn't supporting it.

Mr. Ashe: I said there was the odd exception.

Mr. Nixon: I found him very convincing.

Mr. Ashe: There is no member from Grimsby. The member for Lincoln (Mr. Hall) represents the Grimsby area as well.

There were some comments made relative to remuneration of that interim commission.

I might say the legislation, as written, has fully acknowledged the excellent input from not only local PUCs and local municipalities, but more important the local members of this Legislature. I would suggest that that particular reference to not having salaries any higher than the highest already in existence comes about because of guidance the government received from local members in that regard. If it is now felt that remuneration is not appropriate that's fine, but our guidance came from members who would be affected.

Regarding salaries to be paid to the commission after November 1980, that decision is up to each local government, the local PUC, and in turn of course the local council; they can determine whatever is appropriate. I appreciate and understand that there quite possibly is a more onerous responsibility on some of the larger commissions than on some of the small ones. I agree with you that the local council, guided I am sure by its local commission, will come up with an appropriate figure that can be justified to their common electorate.

The member for Erie (Mr. Haggerty) mentioned a typographical error of 785 versus 783. He is correct and we appreciate his drawing it to our attention. In terms of the debentures, there is of course no inheriting of debentures when you are taking over an area from Ontario Hydro. The reason moneys have to change hands is, obviously, that the utility is buying an asset. At the same time, Ontario Hydro has liabilities that came about because of that area and others. They have to be in a position to retire those debentures with the funds they receive from the sale of assets they no longer will own.

Regarding a method of valuation, a procedure is already laid down. If there is still dispute following that—and there could be, and I am sure probably will be in some instances—an arbitrator can be appointed to adjudicate the differences until agreement is reached; either an agreement between the parties or else the arbitrator comes down with his decision as to who is right.

So it is not a matter of bartering, although I think it is acknowledged that negotiations take place to some degree. Again, I think good communications is the key to reaching a successful conclusion.

There was one other comment from the new member for Wentworth (Mr. R. F. Johnston) to which I want to respond. I was a little concerned and a little confused about some of his references.

First of all, I am not quite sure I would agree with his argument that hydro is a

social service. I think we have a lot of social services now. As a matter of fact, some honourable members and others would debate that we have too many social services, more than we can afford. But I think hydro is a utility service like others. It is a service that is provided. I think it is quite justifiable to say that the prices can be different in different parts of the province, let alone different parts of the country.

In that particular reference, he made a comment relative to election versus appointment, and I may have missed it. I appreciate that the honourable member for Welland-Thorold (Mr. Swart), the honourable member for Carleton East (Ms. Gigantes)—and possibly this was the area the honourable member for Wentworth was exploring—raised the question as to whether, ultimately, a commission should in fact be a council. We are not debating that question at this point in time. At the moment it is government policy that the commissions have served well in the past and I don't think anybody disputes this greatly. They may have been unhappy with the odd board member or commissioner from time to time, but generally, I think it's fair to say that this method has served us well.

[5:30]

Acknowledging that there is a greater push for autonomy and local decision-making by the elected council, which I don't think anybody greatly disagrees with in general philosophy, there is still a great difference of opinion when we're making that first step as to how the commission should take office. I'm not speaking of the interim commission until November 1980 but the procedure thereafter. The right is there within the legislation for the local council to appoint if it wishes. If it is not disposed to take that option the local commission will be elected, as it has been in this province, I might say, for something like 70 years.

I might point out that the Speaker of the Legislature and the Acting Speaker who was in the chair at the time the honourable member for Wentworth was on his feet, have both served in that capacity in their earlier political careers. I would suggest the democratic process is not new. If anything one can debate whether it is a better fulfilment of the democratic process to elect the commission directly or whether it is better reflected through elected members on the council taking on that task.

I would suggest that is an area where there are great disagreements even within the municipal sector. That's quite obvious from the fact that in the restructuring bills

previously passed, and in this one, the local council is given some degree of that choice when we say: "Do you want your commission elected or do you want to appoint it?" Even there, the elected councils have not reached a consensus, obviously, because some of them have chosen both routes. As a matter of fact, if I understand and remember correctly, in terms of numbers most have opted to go the election route. I guess they feel that the democratic system has been well served in that regard.

Since time passes on, I hope I have addressed many of the points that have been raised by the numerous members. Undoubtedly, we'll be getting into more specifics within the committee stage.

Motion agreed to.

Ordered for committee of the whole House.

YORK MUNICIPAL HYDRO-ELECTRIC SERVICE ACT

Mr. Ashe, on behalf of Hon. Mr. Auld, moved second reading of Bill 30, An Act to amend the York Municipal Hydro-Electric Service Act, 1978.

Mr. Ashe: Mr. Speaker, this is strictly a housekeeping amendment to allow the same procedures relative to members of council being able to serve on the commission, which is in effect in all other areas. There is no really fundamental change to what has been happening in practice or what is happening elsewhere.

Mr. Stong: Very briefly, I rise in support of this amendment. As I see it, it does exactly what the parliamentary assistant has said. Our party also regards it as a type of housekeeping endeavour and will support it.

Ms. Gigantes: We will be supporting the bill in principle. The only question I would wish to raise about it is one that I raised earlier concerning Bill 29, having to do with the limitation on the number of elected councillors who are permitted on the hydro-electric commission. Those questions will presumably be looked at in more detail when we go to committee stage on Bill 29. I will assume that my questions will be answered in a general way there.

Mr. Ashe: Responding to the member for Carleton East, I would have to suggest that what is happening in Bill 30, is a minor amendment to make it the same as all the rest. The overall philosophical structure of the commission vis-à-vis majorities or minorities, or ultimately that it be a committee of the council, I would suggest is a policy decision

we're not prepared to make at this time. I would hope that with that explanation, although I appreciate it is not the one the honourable member had hoped for, we can proceed at least to get this bill as far as York is concerned in line with all of the others; in other words making it legal that members of council can sit on the commission.

Motion agreed to.

Third reading also agreed to on motion.

MINING TAX AMENDMENT ACT

Hon. Mr. Auld moved second reading of Bill 52, An Act to amend the Mining Tax Act, 1972.

Mr. Speaker: Does the honourable minister have an opening comment?

Hon. Mr. Auld: No, Mr. Speaker.

Mr. Speaker: The member for Rainy River.

Mr. T. P. Reid: Mr. Speaker, I was hoping the minister would have an opening statement in regard to this bill. We on this side are—I will use my words carefully—somewhat confused at the minister's approach in presenting Bill 52 to the Legislature. The Treasurer (Mr. F. S. Miller), in response to questions in the House a week or so ago, indicated this bill really had no effect. He said it was sort of a con job, if I may use that term, to con foreign investors, perhaps European investors, in providing a "perception"—that is the word the Treasurer used—that we were doing something about what he considered the onerous tax burdens on mining companies.

Changing this bill, particularly changing the 35 per cent on the excessive profit above \$30 million and up to \$40 million, and the 40 per cent on the excessive profit above \$40 million, was really a matter of trying to put a better gloss on the province as a place to invest funds. He indicated that really had no effect at all.

I understand, particularly in the excess profits over \$40 million, this was only applied once in this history of Ontario; and that to Inco, I believe, in 1975. I understand also there are, offsetting balances shall we say, for the province to recover any excess taxes.

It seems to be a strange kind of a game we are playing here, if we are introducing legislation, to quote the Treasurer "to provide a perception to overseas investors that Ontario is a good place to invest."

We will support the bill and try and hurry it through, because we don't really see it's going to have much effect on anything; but we certainly do question the need for such a bill in the Ontario Legislature.

Mr. Laughren: Mr. Speaker, I rise, I am sure you will be surprised to know, in op-

position to this bill on behalf of my colleagues.

Interjections.

Mr. Laughren: It may not be exciting, but the revenues we are getting from the industry are not very exciting either; that's one reason I am rising in opposition to it.

We are opposing this bill for some very specific reasons. I would not want the minister to think I was rising in opposition in some ideological fashion. There are very good fiscal reasons for opposing this bill.

As a matter of fact the minister should be ashamed to call himself the Minister of Natural Resources. Why does he not get rid of that title and stick with Energy and put somebody into Natural Resources who will get something from the natural resources for the people of Ontario? That is what we need in that ministry. Mind you, Mr. Speaker, this minister has nowhere to go but up from his predecessors, so there is some kind of hope there I suppose; maybe that is why he took the job.

I look at other jurisdictions and the kind of return they get from their resources, and quite frankly we look pretty sad. I won't dwell on them too long because we are debating mineral tax revenues in this jurisdiction, not others, and I can recognize that steely glint in the Speaker's eye if I try to deviate from the principle of the bill.

But very briefly, Mr. Speaker, in 1977-78, with the existing tax structure on the mining industry, out of \$2.7 billion worth of production Ontario received \$39 million. That includes the corporation income tax from the mining industry, and that is a return of a little less than one and a half per cent of the value of production. In Saskatchewan, with only half a billion, \$511 million worth of production, they received \$113 million worth of revenue on metallic and non-metallic minerals; that is a 22.3 per cent return on the value of production. So there is a big difference between what we realize from our resources and what our sister province of Saskatchewan receives.

Mr. MacDonald: The industry is thriving and expanding in Saskatchewan.

Mr. Laughren: Yes; as a matter of fact, my colleague from York South is absolutely correct, in Saskatchewan this year there is going to be something like \$80 million or \$90 million worth of exploration. Do members know what exploration is going to be done in Ontario this year? Let me tell the minister, and through him the House: the same as the last two years, about \$25 million in total for the province of Ontario. So

despite the favours this government has bestowed upon the industry, despite the very favourable tax structure, exploration is not being carried out. So that is not the answer, giving them more and more breaks is not the answer; and the industry has been telling us that too, but the government doesn't listen.

I used one year only as a comparison, namely 1977-78 for Saskatchewan, but I could go back over the years and it is the same. As a matter of fact just look at Ontario: For example in 1975, as a percentage of the value of production Ontario realized 7.38 per cent; in 1976 it was 2.75 per cent; in 1977 it was 1.87 per cent and in 1978 it was 1.14 per cent. So we keep dropping in terms of the proportion of the value of production we receive in the form of revenue from the industry; and that doesn't make sense when we are dealing with a declining resource, a non-renewable resource that is being depleted. To get less and less out of it, as less and less is left in the ground defies logic; and that is in the metal and non-metal sector.

Some minister of this government comes before us every year with an excuse that we need to give more breaks to the industry because we want to encourage development and further processing; and they always have the arguments laid out as to why we have to give more to the mining industry. It is strange that other provinces don't have to; yet they get the exploration and development out of the industry, which we don't seem to be able to do in Ontario.

I was doing some work on exactly what we get out of the resources compared to what one company gets out of it; one company. You would never guess which company I am going to use as an example, Mr. Speaker: the giant of giants, Inco; and the return they get compared to the return the people of Ontario get.

[5:45]

We could go back a couple of years. In 1974 Inco's net income was \$298,588,000, for a return on shareholders' equity of 21.1 per cent. That is a very good return on equity, as I am sure the minister would agree being a free enterpriser himself. The provincial revenue that year was \$194 million—that was one of the salad years—for a return of eight per cent on the value of production of minerals. In 1975, Inco's net income was \$186,889,000, for a 12.6 per cent return on shareholders' equity; whereas the province's revenues dropped to \$91 million, for a return of 3.8 per cent. In 1976, Inco's net income

was \$196,758,000, for a 12.6 per cent return on shareholders' equity; whereas the return to the people of Ontario was down to 2.6 per cent of the value of production.

Mr. Hall: Do the shareholders get all that?

Mr. Laughren: That is the return on shareholders' equity, I think my friend knows what that is; that is based on the assets.

Mr. Hall: Was it distributed or was it retained?

Mr. Laughren: A company determines what proportion it retains as retained earnings and what proportion it distributes to its shareholders; that is a decision any company can make.

In 1977, Inco's net income was \$99,859,000, for a 5.2 per cent return on shareholders' equity and, as I said earlier, the province got a 1.4 per cent return. Over those four years, from 1974 to 1977 inclusive, the return to Inco in net income was \$782 million and the return to the province of Ontario was \$391 million. It is very difficult to average averages so I will not go through that exercise.

Hon. Mr. Auld: It has never stopped you before.

Mr. Laughren: Oh yes, it has. I do not average averages. I really have a thing about that, among other things.

The return to one company on a nonrenewable mineral resource is greater than the return to the province for all our nonrenewable mineral resources. Does the minister really think he is being a good guardian of our nonrenewable resources in the province? I suppose the minister will stand up and say, "We are doing the best we can." Well, we do not think they are. We think they are not doing the best they can. We think they are being unduly generous and that it is not necessary.

Then I look at their particular bill and see what kind of exemption is made. Is the minister encouraging exploration and development with this bill? I do not see any encouragement of exploration or development. I do not see any encouragement of further processing. I do not see the minister telling the mining industry to buy their machinery here whenever possible. I do not see him telling them anything that will improve our return on resources.

As a matter of fact, what the minister is telling them is that the people at the top—the top companies—are going to have to pay less taxes now. The minister is not doing anything for the struggling ones, the ones at

the bottom; the ones that my friend the member for Rainy River talks about so often. The minister is helping a few at the top by removing the tax on profits in excess of \$30 million. The minister is freezing the maximum amount at 30 per cent, whereas it previously went to 40 per cent.

We tried to find out which companies that would affect. We are told by the people in the ministry: "That is a secret; we cannot tell you that. We cannot even tell you how many companies, because then you would know who they were"—as though those were not our resources. We can guess that the people who will benefit from this will be Inco, Rio Algom, Denison, Noranda, perhaps even Falconbridge this year. That is who will benefit from it. Those are not people who because of this gift will go out and explore and develop more and build a new refinery or set up a mining machinery industry in this province. They will not do any of those things.

I suspect the minister has extracted not a single promise from the industry in return for this bill—probably nothing; at least nothing that will benefit the people of Ontario. We think that is fundamentally wrong. If I am not correct in my assertion that those are the companies, I would want the minister to correct me.

I am not taken in either by the argument that the minister may decide to make, namely, that it really does not affect anybody. The Deputy Minister of Treasury and Economics came into the budget lockup and said this was primarily a cosmetic change, because after all there is virtually nobody in that category now. In the years to come there are going to be companies in there and the government doesn't want to be in the position of making this exemption when profits are high. They are doing it now; and you know and I know, Mr. Speaker, that the profits of Denison, Rio Algom, Falconbridge, Inco and Noranda are going to be substantial in the next few years. It has already started.

The uranium industry, thanks to your government, is guaranteed enormous profits. Falconbridge has had an excellent first quarter and they too are going to be in those categories pretty soon. The government is doing it now because it will be embarrassed to do it when the profits are high. That's not the way we would do business with the mining industry.

We, of course, have said for years we think the nonrenewable resources belong in the public sector. It is behaviour like this that reinforces our belief that our policies

are correct in the whole resources field. We are not getting what we should be getting out of them. We are not getting what the economists call the "backward linkages and the forward linkages." The government is not encouraging the mining companies to buy mining machinery or develop a mining machinery industry in this province, where there is a desperate need for it.

We import 91 per cent of our mining machinery in Ontario, in this country. That's ludicrous when we are number two or three in the world in production of minerals. To be in that position is an embarrassment, and it's fundamentally wrong.

The government is not encouraging companies like Falconbridge to build further processing facilities. The government should be aware of the fact that Falconbridge has been in Sudbury for 45 years and has yet to build a refinery. They just do the dangerous and the dirty work in Sudbury, namely the mining and the smelting. They ship the ore off to Kristiansand, Norway, for refining. That's wrong, that's not the way it should be done.

For those reasons, Mr. Speaker, we are opposed to this bill and we intend to vote against it on second reading.

Mr. Germa: Mr. Speaker, I just want to reiterate what my colleague has said and support his contention that this is a bad piece of legislation. The city of Sudbury is the biggest mining complex in the world, make no mistake about it. Ontario is rich in mining, and yet the benefits that have accrued from these riches over the past 50 or 60 years are not evident in the mining communities in northern Ontario, basically because this government has not extracted from the corporations a just share of the wealth which is produced by the efforts of the miners and smeltermen who are participating in the activity of extracting the wealth from the ores of Ontario.

It is not as though you can come back at a later date and pick up this lost revenue, because once you mine a ton of ore it is one ton closer to the last ton you have. Make no mistake about it, this is a nonrenewable resource we are talking about. Yet this government in the past has not taken advantage of this wealth to put it to the use, not only for the people in the mining towns and the mining camps of northern Ontario but for all citizens. This is the wealth of all the citizens of the province of Ontario and they have a right to demand a fair share.

The comparative figures my colleague from Nickel Belt put on the record are in-

dicative of the attitude this government has had over the years. When this legislation came through, this form of taxation showed some progressiveness to it in that the more wealth the mining company had the higher was the tax rate. That made for some semblance of order. It showed that the persons with the dollars, the persons with the ability to pay, the company with the ability to pay, would carry a heavier load than a company that doesn't have that ability. I don't see anything wrong with that concept; we supported it at that time, when this legislation came in. But here we are taking off the top peak, we're taking off the cream.

Any company that has in excess of \$40 million profit certainly has ability to pay. You cannot deny that fact. What is happening here, in technical terms, is that the maximum rate of taxation in the province of Ontario will be 30 per cent, regardless of whether the profit is \$100 million, \$200 million or \$300 million; this is the kind of money we're talking about.

In the *Globe and Mail*, just last week, I see where Noranda went up to \$136 million. Do a fast calculation and see how many dollars you are letting Noranda off the hook for. Certainly the giant of giants, as my colleague has mentioned, has fallen on hard times. Last year they only made \$99.9 million profit. But they'll be back up to their \$300 million figure. That's the time the money should be extracted and this was a system whereby it was done.

On the other end, maybe there is some justification for the adjustment whereby they raised the exemption from \$100,000 to \$250,000; maybe that will encourage exploration and give some relief to struggling mining companies, the small ones that just haven't got that kind of cash. To that degree I'm possibly partly supportive of what the minister is doing. But it's the top boys, over the \$30 million figure and over the \$40 million figure.

I'm sorry the minister was not around last night. We met with some of these lads at the Royal York Hotel. The boys from Inco were there. They didn't talk to us; they didn't criticize the tax system. They're doing well. The miners were looking very happy last night.

Mr. Nixon: Was that a free bar and dinner?

Mr. Germa: It was a good dinner. The mining boys have the bucks.

Mr. Nixon: Did I hear you say the food was lousy?

Mr. Germa: No, it was good. The miners didn't make it, though. It was the Royal York.

Mr. Hall: How can you sit at their table and say this today?

Mr. Germa: Miners don't tend to be good cooks.

I was talking to some of the top brass from Inco last night and several other mining boys, and they were very optimistic about the metals market in the future. I would say the minister is losing out, he's losing out on a bonanza that is still to come. But I would like to say again it cannot come forever; you cannot reserve it and put it in the bank and go back and get it later.

The Arabs have indicated what they're doing with their natural resources; Premier Lougheed has taken advantage of his natural resources; and here is the province of Ontario once again selling out at bargain-basement prices. That's been the history of all of northern Ontario, where most of our mining is concentrated. And the minister wonders why this government has no credibility in northern Ontario. It's indicative of the members that northern Ontario sends here. They're fed up with what is happening in the mining communities of northern Ontario. It's a wonder the government wouldn't take a hint or learn something from the political experience they've had in northern Ontario.

Mr. Lane: We do pretty well.

Ms. Gigantes: Oh yes; it hurts, eh?

Mr. Germa: That's another aberration, the Manitoulin Island thing. I think the member for Nickel Belt said if they put one more foot of asphalt on Manitoulin Island the island would sink.

Now it is possible for this government to buy a seat in northern Ontario; they have bought a few.

Mr. Lane: We are high and dry while Manitoulin is under water.

Mr. Germa: They've never won any though, they can't win a seat; there's a price on everything, that's for sure. They paid the price on Manitoulin; they got them and they're stuck with them too.

It's too bad the minister didn't make an opening statement to explain his rationale for this exemption at the top level of income. Why is he showing mercy on a company with profit in excess of \$40 million? They don't need any help and the government of Ontario needs the tax dollars; it's as simple as that.

Could I adjourn the debate?

Mr. Deputy Speaker: Does the member have something further to say later?

Mr. Germa: I may have.

On motion by Mr. Germa, the debate was adjourned.

The House recessed at 6 p.m.

APPENDIX

(See page 1475)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

PUBLIC HEALTH EXPENDITURES

9. **Mr. Breaugh:** Will the ministry please indicate in which communities all approved provincial budgetary expenditures for 1977/78 and 1976/77 for public health programs were not disbursed in full? Why were these sums not expended? How much was actually not disbursed to each community public health unit? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Budget submissions for public health programs are received from boards of health, generally after approval has been granted by municipalities. Some revisions may be negotiated with the boards of health by the ministry. Funds are then flowed to the boards of health by the ministry based on the approved budget. Unexpended funds are recovered from the boards of health by the ministry in a subsequent fiscal year, upon receipt of settlement forms accompanied by audited financial statements.

Complications arise because the boards of health and municipalities operate on a calendar year basis whereas the ministry operates on a fiscal year basis. Details of underexpenditures can only be supplied, therefore, on a calendar year basis up to and including December 31, 1977. Settlements for 1978 have not yet been reviewed.

The major reasons for under-expenditures in the years 1976/77 and 1977/78 are as follows: (1) Normal staff turnover and delay in recruitment of replacements; (2) Salary settlements in some cases were not as high as anticipated or did not occur when expected; (3) Some AIB rollbacks; (4) Delay in labour negotiations resulting in strikes and lockouts; (5) Some delay in implementation of new programs by boards of health, particularly in family planning which often met with local resistance.

PHYSICIAN AVAILABILITY

11. **Mr. Breaugh:** Would the minister provide information as to how many communities in Ontario are without a physician at the present time? Would he provide the names of these communities? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The ministry does not keep physician option statistics on a city-by-city or town-by-town basis. The ministry does, however, run an underserved area program. I am pleased to report that there are one or

more physicians in each of the communities on our list of areas designated as underserved.

OPTED-OUT PHYSICIANS

12. **Mr. Breaugh:** Would the minister table in the House statistics on how many communities, besides London, have all their anaesthetists opted out of OHIP? Will he provide the names of these communities? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As stated in my answer to Order Paper question 11, the ministry does not keep physician option records on a community, town or city basis.

16. **Mr. Breaugh:** Does the minister intend to take any steps to alleviate the situation in Peterborough where it is reported over 50 per cent of the doctors have now opted out of OHIP? If he does, what are these steps? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: This question has been answered in the Legislature in several exchanges about Peterborough. As well, I would refer the member to my statement of March 29, 1979.

55. **Mr. Breaugh:** Would the minister tell the Legislature what number or percentage of opted-out physicians in Ontario would constitute a threat to "universal health care"? Has the minister communicated with the federal government about this number? What action does the minister intend to take when this number or percentage is reached? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: I consider this question to have been fully answered by my statement to the House on Thursday, March 29, 1979 (Hansard, pp. 367, 368).

85. **Mr. Breaugh:** Would the Minister of Health please table the statistics on the number of full-time physicians who are currently opted out of the Ontario Hospital Insurance Program, citing each doctor's area of specialty and the community in which each doctor practiced? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As of March 1, 1979, 2,105 physicians were opted-out of the Ontario Health Insurance Plan. As stated in my answer to Order Paper question 11, the ministry does not keep physician option records on a community, town or city basis.

88. **Mr. Breaugh:** Would the minister indicate how many physicians left OHIP in each month of 1978? Would the minister cite each

physician's area of specialty and the community in which he or she practised? [Tabled March 8, 1979.]

Hon. Mr. Timbrell: The following numbers of physicians have opted out of OHIP during 1978 with the effective date indicated: January 1, 1978, nine; February 1, 1978, 17; March 1, 1978, six; April 1, 1978, seven; May 1, 1978, 27; June 1, 1978, 17; July 1, 1978, 48; August 1, 1978, 50; September 1, 1978, 74; October 1, 1978, 72; November 1, 1978, 36; December 1, 1978, 31; total, 394.

The ministry does not keep records of physician option activity on a community, town or city basis.

NEUROSURGICAL DRILLS

13. Mr. Breaugh: Can the minister inform the Legislature if any of the neurosurgical drills that have been recalled in the US—Neurairtome, Craniotome and Neuro Drill—are in use in Ontario? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Regarding the recall in January 1979 of neurosurgical drills—Neurairtome, Craniotome and Neuro Drill—there were only 218 in the world, two of which were in Canada and not sold. The distributor removed them from stock and returned them to the manufacturer. None were in use in Ontario.

This information was obtained from the director of bureau of medical devices, Ottawa.

CHRONIC HOME-CARE PROGRAM

18. Mr. Breaugh: Would the minister expand on his statement of January 19 in which he stated that he hoped to add more chronic home-care programs in the present fiscal year? How many programs are to be added? Where will these programs be added? How many persons will the additional programs provide service for? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As I indicated in my statement of January 19, 1979, we are considering expansion of chronic home care as one of several steps to stimulate alternate forms of care. The extent of any such expansion will, of course, be dictated by the availability of funds during 1979-80.

22. Mr. Breaugh: How much will savings from rationalization of Windsor area hospital facilities have to be in order to create a chronic home-care program? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The Essex County District Health Council has identified the costs of a chronic home-care program in 1979-80 as \$500,000, with effect from October

1, 1979. Savings resulting from bed closures and amalgamation of services have been identified as approximately \$1.6 million.

Apart from the chronic home-care program, there are several other new or expanded programs proposed by the district health council (CAT scanner, perinatal service, chronic beds), all of which are to be funded from the savings identified.

PLACEMENT CO-ORDINATION SERVICE

19. Mr. Breaugh: Would the minister enlarge on his statement of January 19 in which he stated that he hoped to expand the placement co-ordination service? Where will this expansion take place? How many placement co-ordinators does he plan on creating? Does he intend to expand this service before providing more placements to be "co-ordinated," or is there a priority for the provision of placements? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: I am pleased to confirm that in fiscal 1979-80 my ministry will initiate, on a phased basis, several placement co-ordination services for persons needing non-acute care. My objective is to ultimately have a province-wide system of placement co-ordination services. We will respond to local initiatives in establishing the placement co-ordination services.

LONG-TERM CARE STUDIES

21. Mr. Breaugh: Will the minister table any studies he has received from district health councils which assess the chronic and other long-term bed needs of their communities? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: At the present time, reports on long-term care made by the district health councils are being evaluated by ministry staff. When the evaluation process is complete the studies will be released to the public.

NON-INSURED HEALTH CHARGES

24. Mr. Breaugh: What percentage and actual number of hospital visits by physicians are not covered by OHIP? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The information requested by the member is not available to the ministry.

25. Mr. Breaugh: As some physicians are now charging patients a yearly fee for "uninsured services," can the minister state whether it is legal for physicians to charge for services that have not yet been, but may in the future, be rendered? Has he any plans

to monitor these private insurance schemes? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Our legislation does not expressly prohibit a physician from charging a patient a yearly fee, nor does it prohibit any private insurance against the cost of services which are not insured services under the Health Insurance Act, 1972.

Under the regulations made under the Health Disciplines Act, 1974, "professional misconduct" includes "charging a fee that is excessive in relation to the services performed" (section 26, item 8); and "charging a fee for services not performed" (section 26, item 14).

The College of Physicians and Surgeons of Ontario enforces the "professional misconduct" provisions.

54. Mr. Breagh: Will the minister inform the House if he has set any guidelines regarding the exemption of patients from the excess charge over and above the OHIP schedule of benefits, (required by opted out physicians)? If he has no guidelines presently, does he have any plan for such guidelines? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The guidelines can be found in my statement to the House on Thursday, March 29, 1979 (Hansard, pp. 367, 368).

NURSING AGENCIES

32. Mr. Breagh: What professional standards of care does the minister consider appropriate for private nursing agencies? Do the present agencies meet these standards of care? How are these standards enforced? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As Minister of Health, I would expect any agency which employs or which procures for employment registered nurses and registered nursing assistants to meet the requirements of section 87, nursing part of the Health Disciplines Act, 1974: "Every person, other than a patient, who employs a person as a registered nurse or registered nursing assistant and every agency or registry that procures employment for a person as a registered nurse or registered nursing assistant, (a) shall ensure that such a person is the holder of an appropriate certificate under this part; and (b) shall report to the college within 30 days any termination of such employment for reasons purporting to constitute professional misconduct, incompetence or incapacity. 1974, c. 47, s. 87; 1975, c. 63, s. 4."; and the Standard of Nursing Practice, issued by the council of the College of Nurses of Ontario.

The college of nurses is responsible for the initial registration of a registered nurse and

registered nursing assistant and for annual issuance of a certificate of competence to its members. The college of nurses interprets to private nursing agencies their legal and professional responsibilities within the Health Disciplines Act. The college of nurses investigates complaints about the practice of registered nurses and registered nursing assistants reported to the college.

OHIP PAYMENTS

35. Mr. Breagh: Would the minister provide the Legislature with figures on what percentage and how much of OHIP money paid to salaried staff of teaching hospitals ends up in hospital research funds as "excess physicians salary"? What is the ministry's position on these research funds being provided to teaching hospital departments from OHIP revenue? Does he feel that the ministry should have some say over how these funds are spent? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: OHIP money paid to physicians who hold clinical teaching posts constitutes payment for services rendered, i.e. earned income. Clinical teachers have contractual agreements within universities which establish salary levels, including income ceilings. These arrangements differ greatly among medical schools and specialty departments, and the details are confidential within the medical schools.

The ministry's position is that OHIP payments for services is earned income, to be disposed of by the physicians to whom payments are made.

56. Mr. Breagh: Would the minister inform the Legislature what percentage and number of OHIP payments were paid directly to the patient in 1975/76, 1976/77 and 1977/78? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The percentage and number of OHIP claims paid directly to the subscriber are: 1975-76, 3,018,843, six per cent; 1976-77, 3,050,264, six per cent; 1977-78, 2,955,850, five per cent.

81. Mr. Breagh: What was the total cost of OHIP's payments under regulation 69/76, section 58, for the years 1976, 1977 and 1978? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The question as asked appeared to have no relevance to the section Mr. Breagh had noted and a clarification was obtained from cabinet office. To clarify this question Mr. Breagh indicated that he was interested in regulation 69/76 amending section 58 of regulation 323 of 1972 under section 20 of the Health Insurance Act of 1972.

In answer to the member's question, the payments for services rendered in a manner approved by the regulation are not separately recorded and a total cost estimate of OHIP's payments is not possible.

HEALTH SERVICE PROFITS

37. **Mr. Breagh:** Can the minister provide figures for the yearly profit made by: 1. extended care corporations; 2. private ambulance operators; 3. private nursing homes; and 4. private medical laboratories? Does the minister have any control over the level of profit in these cases? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: 1. Extended care corporations—the member will have to be more explicit about what he means by this term.

2. Private ambulance operators—It will take approximately three months to prepare this information.

3. Private nursing homes—The following figures represent the average percentage of

funds remaining after operating costs are subtracted from gross revenues, not including taxes: (a) chain operations with more than 500 beds, 5.4 per cent; (b) in excess of 101 beds, 7.6 per cent; (c) 51-100 beds, 5.8 per cent; (d) fewer than 50 beds, 9.8 per cent. Currently, 37 homes are showing expenses in excess of revenue.

4. A method of payment for laboratory services in the private sector is a "relative value" fee schedule based on three cost components which are labour, material and medical supervision. The ministry does not have profit figures for individual laboratories. Ambulance budgets are set by the ambulance services branch and nursing home and laboratory rates/fees are negotiated with the Ontario Nursing Home Association and the Ontario Association of Medical Laboratories. The ministry does not control the level of profit since this is related to internal cost efficiency, et cetera, but does negotiate rates.

HEALTH EXPENDITURES

39. **Mr. Breagh:** Will the minister provide figures on the per capita expenditure for: 1. Hospitals; 2. community clinics and health service organizations, for the last five years? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Our response to the above question is set out in the following table:

Per Capita Capital Expenditures by Ministry for Hospitals, Community Clinics and Health Service Organizations				
Year	(1) Total Capital Expenditures ('000)	(2) Population ('000)	Per Capita Capital Expenditures	
			Hospitals	Community Clinics, etc. (See Note)
1978	\$85,156.3	8,354.0	\$10.19	—
1977	75,489.9	8,264.5	9.13	—
1976	79,943.6	8,225.8	9.72	—
1975	86,697.0	8,093.9	10.71	—
1974	88,777.0	7,938.9	11.18	—

Source: (1) Public accounts; (2) province of Ontario vital statistics.

Note: Specific capital payments or grants were not paid to finance community clinics. Capital expenditures, if any, were paid out of funds provided through operating budgets of health service organizations.

PSYCHIATRIC BED NEEDS

44. **Mr. Breagh:** Will the minister table any figures he has for the projected inpatient bed need at Queen Street Mental Health Centre and Hamilton Psychiatric Hospital for: 1. 1981; and 2. 1987? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: McKinsey and Company have projected a bed need of 445 in the Queen Street catchment area by the year 1987. A projection for 1981 has not been

calculated. This does not take into account any proposed change in catchment area.

No similar projection has been calculated for Hamilton.

53. **Mr. Breagh:** Will the ministry table any estimates they have, other than the McKinsey reports, of the population growth and the increase in psychiatric bed demand in the catchment areas of Lakeshore Psychiatric Hospital, Queen Street Mental Health

Centre and Hamilton Psychiatric Hospital for 1981 and 1987? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Estimates other than those projected by the McKinsey reports, of the population growth and the increase in psychiatric bed demand have not been calculated.

Hamilton Psychiatric Hospital was not included in the McKinsey and Company role study.

MENTAL HEALTH LEGISLATION

46. Mr. Breaugh: In the light of the fact that the Legal Aid Plan of Ontario has agreed that it can implement the proposals of section 28(1) of the amended Mental Health Act, 1978, when does the minister intend to have this section of the act proclaimed? If his intention is not to proclaim this section in the near future, will he give his reasons? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: I have reservations about the mandatory notification of persons outside the psychiatric facilities. This provision requires notification even though a patient may not want anyone outside the facility to be aware of his hospitalization. Indeed, for those involuntary patients who feel this way, such notification would constitute a breach of confidentiality.

After I have had the benefit of the Krever commission's report, I will make a decision regarding the proclamation of these subsections.

47. Mr. Breaugh: Will the minister inform the Legislature when he intends to proclaim section 28(2) and sections 29 and 30 of the amended Mental Health Act, 1978? Given that he has now had since November 1, 1978 to explore the mechanics of the proposed procedures with the regional review boards, what are his reasons for further delay in the proclamation of these sections? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: I will not recommend proclamation of these sections until the ministry has received and reviewed the report of the Ontario Council of Health on the Mental Health Act.

PATIENT TRANSFERS

48. Mr. Breaugh: Will the minister confirm or deny that the transfer of North York patients in Lakeshore to Queen Street Mental Health Centre and Halton county patients to Hamilton Psychiatric Hospital will start this month? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The answer to question 73 covers this.

LAKESHORE STAFF

50. Mr. Breaugh: Will the minister provide the figures for the number of Lakeshore staff: 1. To be transferred to Queen Street Mental Health Centre; 2. To be transferred to Hamilton Psychiatric Hospital; 3. To be transferred to other provincial institutions; 4. Who will be left without a job? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Originally some 350 staff were to transfer to the Queen Street Mental Health Centre from Lakeshore, and approximately 230 layoff notices, effective August 31, 1979 were issued. As of April 6, 1979 the layoff list has been reduced to 170 due to in-government transfers, resignations and retirements. Staff transfers to Hamilton Psychiatric Hospital or other provincial institutions are not planned.

HOSPITAL BED ALLOCATIONS

57. Mr. Breaugh: Would the minister explain how he calculates additional bed allowances for "non-Ontario residents" when he is establishing the number of active treatment beds for each hospital centre? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: A separate calculation is made for each hospital centre. The number of patient days for non-residents is established for the most recent calendar year for which data is available. (The 1977 calendar year was used in calculating the 1979-80 bed projections for non-resident use). A calculation is then made to allow for 90 per cent occupancy, which produces the number of beds required for non-resident use.

HOSPITAL STAFF INJURIES

66. Mr. Breaugh: Has there been an increase in the number of job-related injuries due to staff shortages within the ministry? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Further to the clarification of this question received by cabinet office from the member, he was interested in injuries which under normal circumstances one could file under the Workmen's Compensation Board of Ontario. The statistics for the number of injuries in psychiatric hospitals are as follows: July 1, 1978-September 30, 1978, number of claims made to Workmen's Compensation Board, 279; October 1, 1978-December 31, 1978, number of claims made to Workmen's Compensation Board, 245; January 1, 1979-March 31, 1979, number of claims made to Workmen's Compensation Board, 276.

CO-PAYMENT FEES

68. Mr. Breaugh: What was the basis for exempting \$45 of monthly income from chronic-care co-payments? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The comfort allowance is extended to chronic-care patients to establish an equitable situation with patients in nursing homes and homes for the aged, as recommended by the select committee of the Legislature. The comfort allowance is intended to provide these patients with some spending money to pay for personal items not provided as part of their care.

72. Mr. Breaugh: Will the minister table the guidelines for psychiatric co-payments as announced in January 1979? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The ministry now has no plans to introduce a co-payment for patients in psychiatric hospitals.

83. Mr. Breaugh: Will the minister be regularly adjusting the income levels for exemption of chronic-care co-payments to take into account the effects of inflation? Will he also be making any provisions for waiving the co-payment in special circumstances like excessive debt? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Income levels for exemption of chronic-care co-payments will be reviewed annually to ensure reasonable consideration of inflation rates.

Special circumstances such as excessive debt or other expenses beyond those normally anticipated, can be considered cause for a reduction in the assessed co-payment. By application to the hospital administrator, who has the authority to approve the reduction as a benefit, any patient can seek assistance for extenuating circumstances.

USE OF CREDIT CARDS

69. Mr. Breaugh: Are there any hospitals now allowing patients to pay accounts with credit cards? What is the ministry's position on the use of credit cards by hospitals and clinics? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: It is understood that a number of public hospitals in Ontario accept major credit cards for hospital expenses not covered by OHIP, such as semi-private or private room accommodation, telephone calls, television rentals, et cetera. Credit cards are also accepted, in some hospitals, from out-of-province or foreign patients for payment of hospital accounts.

As the use of credit cards reduces the number of possible bad debts for these types of services which are not essential for the

insured patient's treatment, hospitals should be permitted to utilize this system.

BED USE STUDIES

70. Mr. Breaugh: Would the minister indicate how many chronic-care patients currently occupy active treatment beds in Ontario hospitals? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The ministry is not able to determine the number of chronic care patients who may be occupying active treatment beds from current information/reporting systems. Accurate information could be obtained only by a medical assessment of each patient occupying an active treatment bed. A number of district health councils have undertaken bed accommodation surveys which involve an assessment of the appropriate use of beds and facilities. This is an initial step in the local planning process to identify the need for various services including chronic beds.

Since these studies have taken place at various points in time, and in different regions, it is not possible to project the initial bed accommodation survey into a provincial statistic.

CHRONIC-CARE BEDS

71. Mr. Breaugh: Will the minister list the chronic-care facilities available to the communities of Cochrane, Smooth Rock Falls and Kapuskasing? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Facilities and number of chronic-care beds currently available: Cochrane, Lady Minto Hospital, six; Kapuskasing, Sensenbrenner Hospital, six; Smooth Rock Falls, Smooth Rock Falls Hospital, 0.

FOOD PREPARATION

75. Mr. Breaugh: Will the minister table his response to resolutions of the town of Uxbridge and the region of Durham requesting changes in the Public Health Act to exempt community functions involving food preparation from the present regulations? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: In response to the resolutions and other communications, I refer to my memorandum of February 14, 1979.

"Memorandum to: Chairmen of all boards of health.

"From: Dennis R. Timbrell, Minister of Health.

"It has come to my attention that a health unit has been arbitrarily applying the provisions of the food premises regulations under the Public Health Act.

"As you know, the intention of the regulations is to ensure that sanitary food prepara-

tion and handling practices are observed. I realize most of you appreciate the intention is not to discourage local community activities such as church dinners, pot luck suppers or sale of food at bazaars. However, I would urge you to ensure your staff exercises discretion when applying such regulations to local community activities."

FEMALE MEDICAL STUDENTS

101. Mr. Breaugh: Would the Ministry of Health advise the House how many women have been admitted to Ontario's medical schools each year for the last five years? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The chart below is submitted by the Ministry of Education.

MEDICAL SCHOOL ENROLMENTS, FEMALE NUMBER (PERCENTAGE) BY FIRST YEAR AND TOTAL YEARS, ONTARIO 1972-78*

	1972-73		1973-74		1974-75		1975-76	
	1st % *	Total % **	1st %	Total %	1st %	Total %	1st %	Total %
Western	29(28.4)	61(16.5)	22(21.8)	75(19.3)	28(26.4)	92(23.2)	25(23.8)	103(25.4)
McMaster	27(33.8)	47(24.9)	25(30.5)	68(29.7)	34(42.0)	86(36.1)	52(52.0)	114(42.9)
Toronto	45(18.8)	174(19.0)	46(19.2)	184(19.1)	63(25.9)	208(21.2)	58(24.2)	220(22.4)
Queen's	13(18.1)	54(18.8)	17(23.9)	73(20.3)	18(24.0)	63(22.0)	20(26.3)	69(23.5)
Ottawa	19(22.4)	65(21.0)	21(25.0)	75(23.4)	25(29.8)	84(25.7)	31(36.5)	95(29.0)
Total	133(24.3)	401(20.0)	131(24.1)	475(22.4)	168(29.6)	533(25.6)	186(27.3)	601(28.6)

	1976-77		1977-78		1978-79	
	1st % *	Total % **	1st %	Total %	1st %	Total %
Western	22(20.8)	100(24.2)	26(24.3)	103(24.8)	26(24.5)	98(23.6)
McMaster	40(39.2)	125(43.8)	40(39.6)	131(43.1)	47(46.5)	129(42.9)
Toronto	77(30.7)	256(25.5)	71(27.6)	275(27.2)	75(29.2)	288(28.4)
Queen's	21(28.4)	73(23.9)	19(25.0)	77(25.6)	28(36.8)	87(28.5)
Ottawa	21(25.0)	96(29.1)	28(33.3)	101(30.4)	24(28.6)	102(31.3)
Total	181(28.8)	650(29.3)	184(30.0)	687(30.2)	200(33.1)	704(30.9)

Source: CMA Journal Vol. 117 and ACMC Forum, 1979.

*Figures indicate, by school, number of women in first year, and (percentage of women to total first year enrolment).

**Figures indicate number of women in all years enrolment and (percentage of women to all years enrolment).

NAMES OF PHYSICIANS

128. Mr. Cassidy: Would the Minister of Health table the legal opinion which substantiates his contention on March 27, that it would be a violation of section 44 of the Ontario Health Insurance Act for the Ministry of Health to publish simply the names of those Ontario physicians who are enrolled in OHIP and those who have withdrawn from OHIP? Furthermore, would the minister indicate on what date he communicated with the ministry's solicitors regarding this matter, and would he table any correspondence pertaining to this question? [Tabled April 9, 1979.]

Hon. Mr. Timbrell: No legal opinion was obtained prior to my remarks of March 27.

MINING EXPLORATION

137. Mr. Foulds: How many mining exploration ventures were in progress in

Ontario on March 31, 1976; March 31, 1977; March 31, 1978; and March 31, 1979? Would the ministry list the names and locations of these exploration ventures? [Tabled April 10, 1979. Interim Answer Tabled April 24, 1979. Approximate date information available April 30, 1979.]

See sessional paper 44.

HIGHWAY CONSTRUCTION

139. Mr. Epp: Will the Minister of Transportation and Communications indicate the total cost of construction and purchase of property of the stretch of nine miles of highway from Smiths Falls to Merrickville? Will the minister indicate on an individual basis, the cost and the amount of property obtained? Does the minister anticipate any additional expenditure, except regular maintenance on this section of

highway, within the next five years? [Tabled April 17, 1979.]

Hon. Mr. Snow: In answer to the member's inquiry, the following applies: (a) The total cost of construction is approximately \$1,950,000; (b) the total property acquisition cost is \$64,892; (c) because the agreements between the ministry and the property owners are viewed as privileged information, data on individual property sales are provided without reference to the owners' names.

Parcel	No. of Acres	Total Compensation to Owner
1	0.016	\$ 470
2	0.020	\$ 665
3	0.738	\$ 2,000
4	0.385	\$ 135
5	3.475	\$11,563
6	0.259	\$ 1,825
7	0.030	\$ 1,320
8	0.845	\$ 2,615
9	0.084	\$ 2,415
10	0.347	\$ 2,225
11	0.036	\$ 925
12	3.725	\$ 5,000
13	0.301	\$ 840
14	0.023	\$ 1,000
15	0.038	\$ 445
16	0.052	\$ 1,848
17	0.174	\$ 865
18	0.149	\$ 400
19	0.036	\$ 320
20	1.455	\$ 2,090
21	0.694	\$ 1,085
22	0.386	\$ 1,510
23	0.758	\$ 600
24	0.266	\$ 930
25	0.351	\$ 1,635
26	0.147	\$ 150
27	2.679	\$ 2,630
28	0.669	\$ 1,100
29	0.076	\$ 2,825
30	0.139	\$ 1
31	0.391	\$ 3,295
32	0.619	\$ 1,200
33	0.060	\$ 2,215
34	0.351	\$ 890
35	0.688	\$ 1,450
36	0.417	\$ 1,060

Parcel	No. of Acres	Total Compensation to Owner
37	0.519	\$ 1,350
38	0.401	\$ 2,000
TOTAL	21.799	\$64,892

39 File is being prepared for the Ontario Land Compensation Board. The compensation to the owner for 0.318 acres is therefore undetermined at this time.

(d) Within the next five years, no additional expenditures on the specified section of highway 43 are anticipated.

CECIL FACER SCHOOL

140. **Mr. T. P. Reid:** Would the minister provide the budget for the last fiscal year of the Cecil Facer facility in Sudbury; the number on staff, the number of children in residence and the per diem per child in the facility? [Tabled April 19, 1979.]

Hon. Mr. Norton: (a) Budget 1978-79, \$2,680,500.

(b) The number on staff: as of March 31, 1979:

	Staff Complement	Staff Vacancies
Direct Care	45	3
Recreation	2	
Professional/Clinical (does not include teaching staff who are employed by the Ministry of Education	12	4
Administration	10	
Clerical	9	
Maintenance	13	
	91	7

(c) Children in Residence: Average daily in residence count (April 1, 1978 to March 31, 1979), 76. Breakdown: In School, 54; special leave, 14; AWOL, 8; in residence, 76.

(d) Per diem per child, \$136 (based on average number of children "in school").

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Bolan, M. (Nipissing L)
Bradley, J. (St. Catharines L)
Breithaupt, J. R. (Kitchener L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Cooke, D. (Windsor-Riverside NDP)
Edighoffer, H.; Deputy Speaker (Perth L)
Elgie, Hon. R.; Minister of Labour (York East PC)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
Germa, M. C. (Sudbury NDP)
Gigantes, E. (Carleton East NDP)
Haggerty, R. (Erie L)
Hall, R. (Lincoln L)
Isaacs, C. (Wentworth NDP)
Kerrio, V. (Niagara Falls L)
Lane, J. (Algoma-Manitoulin PC)
Laughren, F. (Nickel Belt NDP)
MacBeth, J. P.; Acting Speaker (Humber PC)
MacDonald, D. C. (York South NDP)
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McClellan, R. (Bellwoods NDP)
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Norton, Hon. K.; Minister of Community and Social Services (Kingston and the Islands PC)
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Stephenson, Hon. B.; Minister of Education (York Mills PC)
Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
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Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
Warner, D. (Scarborough-Ellesmere NDP)
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Wildman, B. (Algoma NDP)



No. 36

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Tuesday, May 1, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, MAY 1, 1979

The House resumed at 8 p.m.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 58, An Act to amend the Retail Sales Tax Act.

Hon. Mr. Maeck: The bill we are about to debate implements the following proposals in the Treasurer's (Mr. F. S. Miller) budget:

The price of admission at which tax at 10 per cent becomes payable under the act is raised from \$3.01 to \$3.51.

The tax at seven per cent on taxable services is extended to the consumption of telecommunications services, including community antenna television and cable television systems, pay television and microwave transmissions by fixed station or satellite.

The exemption from the seven per cent rate of tax for hotels, motels, resorts, et cetera, providing transient accommodation which was to expire at the end of 1979 is extended to March 31, 1981.

Provision is made to allow rebates of up to \$700 of tax paid on the purchase of parts and materials incorporated into solar heating systems in residential premises.

Candies, confections and soft drinks which were previously exempt only when purchased for less than 21 cents will now be exempt from tax when purchased for less than 50 cents.

Packages or bags of candy and cartons or cases of soft drinks, the purchase price of which exceeds 49 cents, will remain taxable as will the purchase of two or more packages of containers of candies, confections or soft drinks for a single price in excess of 49 cents.

A new exemption is to be granted for the purchase of clothing patterns, certain textiles and fabrics and for self-contained household smoke alarms for residential fire protection.

Exemption is also to be given for certain furnishings and food preparation equipment used in restaurants and hotels provided such furnishings or equipment are sold and delivered in the period commencing April 11, 1979, and ending March 31, 1981.

In addition to these changes, other administration changes are proposed which will clarify the application of the act and the

priorities of the crown in the recovery of the tax collected in trust under the act.

The period within which refunds must be applied for under the act is increased from two or three years for the refund of any payment made on or after April 11, 1977.

Provision is also made to specify the time within which the reply of the minister in appeal proceedings under the act must be served.

Mr. Haggerty: I would like to address myself to Bill 58, An Act to amend the Retail Sales Tax Act. The minister has indicated the purpose of the bill. It is an increase in almost every area, which will have an effect on almost every person.

I was interested in the removal of the sales tax from candies and confections and soft drinks. This is an area in which the government may lose some \$16 million, I believe it is estimated in the budget report. Perhaps that is an area we should take a close look at. I don't think it would actually hurt too many persons if the tax were to remain.

Perhaps the \$16 million could be put to good use in a dental care program for our elementary school children.

Mr. Laughren: Are those the Liberal restraint taxes too?

Mr. Haggerty: I am just suggesting that this is an area where the government is dropping something off and encouraging young people to go out and perhaps buy more candy and things like that which are not the best of things for a person's health. I am suggesting that this \$16 million could have been used in a more useful way in Ontario in many of the government's other schemes.

Mr. Laughren: I'm for denticare too. I'm with you.

Mr. Haggerty: My friend is with me? Good. That's about the only time, isn't it?

Mr. Laughren: We both want denticare.

Mr. Haggerty: I am also interested in the fact that the retail sales tax will be rebated, to a maximum of \$700, on all materials purchased for incorporation into solar heating systems. This is a new area, and perhaps there hasn't been much research done in this particular area; so the average person may not get much benefit from it.

We appreciate the tax rebate on home insulation; that's really proving to be successful and of assistance to persons who want to reduce the cost of energy and to conserve energy. In this area, when we look at the federal election campaign at the present time, we have the Conservatives out thumping on the doors, saying 'We are going to give you a preferred interest rate, a low interest rate, for the purchase of new homes, or older homes'—

Mr. Nixon: They'll have to raise the sales tax to pay for that lost revenue.

Mr. Haggerty: We have the New Democrats doing the same thing, offering the home owners a good deal on low interest rates.

Mr. Makarchuk: Ours are different, though.

Mr. Haggerty: I know the hardship endured by a young person, or by any person who has to go out and make the most important purchase in his life; that is, a home. In this particular area, this party has gone on record in the past as stating that the sales tax should be removed on all building materials. In this way there is no special consideration given to any group in our society, nor is it based upon income level; every person would get a true break. Considering the cost of homes today, I suppose that would save him about \$2,000 to \$3,000 on the overall cost of purchasing a home and perhaps furnishing it.

I suggest that the government should be moving in this particular area instead of in this \$700 rebate for energy conservation. I think the home should come first; then perhaps this could follow through if there's enough research. I don't know what \$700 will do for solar energy in a home; not much. Insulation, yes; but solar energy? I don't think you're going to touch it—for what? I don't know. I don't want to quote figures from the Ontario Hydro committee, but it's been pretty expensive, has it not?

Mr. Nixon: Very expensive.

Mr. Haggerty: Very expensive; so in this particular area I suggest that the minister should be removing the sales tax on building materials. If the government wants to give the economy a boost, it should remember that the last time a boost was given was in connection with automobiles, and everybody went out and bought new automobiles.

Mr. Nixon: You've got to have an election before they start boosting the economy.

Mr. Haggerty: That didn't hurt the Treasurer's sales tax revenues. They didn't go down; in fact, they went up that year. The government may have lost an estimated

\$300 million directly, but its general revenues were increased as a result of additional automobile purchases. In this particular instance, to get more employment in the other areas of home construction, the government should be reducing the sales tax in this area. It should cost the government nothing.

Hon. Mr. Maeck: Oh, it costs a little.

Mr. Haggerty: No, it doesn't cost the government anything. I think this is perhaps a better deal. The government could steal some of the thunder from the federal fellows who are knocking on these doors promising almost everything. If the federal sales tax were knocked off building materials, and the provincial sales tax, I suppose we would be looking at 19 per cent—

Mr. Nixon: Is the federal sales tax still 12 per cent?

Mr. Haggerty: Twelve per cent; yes, I think it is. So we would be looking at 19 per cent.

The other area I think we should be looking at is the matter of taxing the—

Mr. Makarchuk: Land speculators.

Mr. Haggerty: Lands? No, I'm talking about the new revenue that's going to be generated from the tax on cable television. This is another area where the government expects to gain additional revenue. I am kind of hesitant about the government moving in this particular area. There are other areas where taxes are collected through the matter of advertising and television and through other areas related to television and I suggest that this area is going to hit the average fellow again, the average TV watcher who wants to enjoy a hockey game or a baseball game who perhaps can't afford the \$15 to \$20 a seat to see the NHL playoffs.

Mr. Nixon: \$20?

Mr. Haggerty: I think my colleague was down in Montreal the other day. I think he paid around \$15 to \$20 away up in the bleachers some place.

An hon. member: The second seat from the roof.

Mr. Haggerty: The second seat from the roof is correct. I am suggesting to the minister that this is another area that hits the small person. Then the NDP comes back and says that they are going to put a five per cent tax on bank profits. In the Financial Post of April 28 we see: "Banks Moving In On Europe's Currency Markets." The Royal Bank, the Canadian Imperial Bank of Commerce, the Bank of Nova Scotia, the Bank

of Montreal are all going to England to invest over there. They are taking Canadian capital and investing it over there perhaps to generate huge profits out of which this government is going to get nothing.

Mr. Makarchuk: Labour is taking over again. They'll be withdrawing their investments.

Mr. Haggerty: The member thinks that's going to be? He might have some points, but I am only suggesting to the member that if he looks at the huge profits the banking industry has generated since the early 1970s—and it has continued to do so—and he comes back and says; "We will just touch them with five per cent," and if the minister comes back and says to the person who wants to watch cable television, "It is going to cost you seven per cent just to watch that show"—

An hon. member: Do you want to tax the banks, Ray?

Mr. Haggerty: I am fortunate in the area I come from. I don't have to have cable television because I can get about four or five American channels—

Mr. Nixon: On a coat hanger.

Mr. Haggerty: That's right, on a coat hanger. It's all done through advertising. But here you want to go and hit almost everyone. Look at the senior citizens who, through some agreement through Ontario Housing, have been forced into cable television; they will have to be paying this tax to see those programs. I don't think that's right. I don't think the government should move in that direction. There are other areas through which it could have collected the additional taxes that are required.

If the Treasurer had cut back on government spending—I was interested in reading the article on government spending in the commercial letter from the Canadian Imperial Bank of Commerce. If one looks at Canadian government spending as a percentage of gross domestic product, Canada ranks third in the world. Sweden—you can't touch them; they are above everybody. The United Kingdom is next and then Canada follows. The United States is about 35 per cent; Canada is about 42 per cent; adjoining countries—next-door neighbours. You find they can cut back on government expenditure without causing too much difficulty in the employment situation on the American side, but here we seem still to have heavy government spending, high unemployment and high taxes. One has to question the minister to find out in just what direction his department and the Treasurer is going.

I think I can agree with the matter of the exemption for household smoke alarms. That should have been done a couple of years ago to encourage the purchase of smoke detectors. This provides safety within a home and I suppose in the long run it's a benefit to all of us.

We got into the matter of the transient accommodation as it relates to the tourist industry. I talked to that the other day. One minute the government is giving the tourist industry a break to encourage people to visit this province, and then the government turns around and hits them with an additional gasoline tax and alcohol tax. There is no benefit or gain there; the minister is probably breaking about even, if anything. [8:15]

Mr. Makarchuk: He is a man who brings misery to people, isn't he?

Mr. Nixon: Who?

Hon. Mr. Maack: Not me.

Mr. Haggerty: There is an exemption for commercial aircraft, but when one looks at what is indicated there, the budget says: that effective April 11, 1979, the present exemption for aircraft will be expanded. Purchase of commercial aircraft and parts for such aircraft will be exempt from tax if certain conditions are met. The aircraft is registered. It would have to be registered any time one is going to fly an aircraft.

The exemption applies to the purchase of a licence to provide some classes of commercial air services. If one looks at the huge profits that have been generated by air carriers across Canada, one has to question why the minister would be moving to exempt them from retail sales tax in this particular area. It is just unbelievable that this budget actually places hardship on the average working man or the wage earner in Ontario. It is hard to follow it.

With those comments, it is rather difficult to support the bill in a sense, but I suppose we have to support it, not willingly, but in principle and with some disagreement.

Mr. Laughren: Come on. Grasp the nettle.

Mr. Haggerty: We will support it in principle, but there are other areas where the government could have moved in and added additional revenue without hitting the average person in Ontario. That is what the budget is going to do. It is going to have every wage earner in Ontario hitting management for higher wages to offset this increase in taxes. It is going to start up the whole spiral of inflation again. It is getting up almost to double-digit figures again, and I would be concerned about that.

This puts pressure in that area. Through the bargaining process and other measures that the labour force has, it is going to be going to the bargaining table. Perhaps we are going to see more strikes because people are not just going to tolerate it.

Mr. M. Davidson: You are not against reasonable wage increases, are you?

Mr. Haggerty: They are going to have to match their incomes with the cost of living. We can see it in the price of milk going up and we can see it in almost everything. Yet we find the government can step in and apply taxes, but they can't apply any means or measures to control high profits in certain industries and in the food industry.

Mr. Laughren: I think he is talking about wage controls.

Mr. Haggerty: No, I am not talking about wage controls. If things aren't brought under control the government is going to have to bring in measures to control it, whatever they may be. Before we get into that particular area, I think the Minister of Consumer and Commercial Relations (Mr. Drea) is going to have to step in and do some knuckle-rapping. The public isn't going to tolerate it. The government can't tell them to hold their wages at six per cent and then allow other segments in our society and industry to increase their profits, and some of them have been huge.

I heard the member's speech this afternoon. He is right on on some of his points. The government has permitted them to seek higher profits. Of course, we have to have profits if we want to have what we call the free enterprise system, but I think those profits have to be shared with the rest of the people in Ontario and throughout Canada. If the government doesn't bring in some measures besides tax increases, then it is going to run into difficulties very shortly.

Mr. Charlton: Mr. Speaker, I rise to speak to Bill 58 and to convey to the minister a surprise. We are not going to oppose this one.

Mr. Gregory: There must be something wrong with it.

Mr. Sterling: Withdraw the bill.

Mr. Makarchuk: However. Wait for the "however."

Mr. Samis: He is reconsidering now in view of the members' reaction.

Mr. Charlton: This bill is a total mish-mash of good and bad, of positive ideas and of betrayal and contradictions of those good ideas.

Mr. Kerrio: Lorne the betrayer.

Mr. Charlton: Just take a look at how the positive in this bill has been riddled with holes by the contradictions and omissions.

Mr. Nixon: You have a new writer for your caucus.

Mr. Samis: He can handle it himself, Bob.

Mr. Charlton: The government, the Treasurer, the Minister of Revenue and whoever else worked on this circus—and it is a full three-ring circus—have shown their real colours. They have shown there is really no direction on the part of this government in using its tax policy in an economic sense, in a stimulative sense and in an overall positive sense. No planning, no direction and no goals at all.

Let us take a look at some sections of this bill, both on the positive side and in terms of those contradictions and those betrayals of the positive that are indicated in some sections.

We start out by talking about the seven per cent exemption from sales tax for hotels, motels and resorts. This is a positive move and we will support the minister on it. It may create or maintain existing jobs; it may even help to save some small operators who have been under exceptionally extreme pressure over the last three or four years in the tourist industry. No problem; we will not oppose that move.

But let us take a look at how that positive section of this bill is complemented by some of the other sections: The government increases the exemption on admission prices to theatres—the 10 per cent tax on theatres. They increase the exemption from \$3.01 to \$3.51. That is nice for those who go to theatres. But there are hundreds of thousands of people in this province who cannot afford to go to theatres or who do not even have theatres to go to. The Speaker himself will know of dozens of areas where there is no theatre to attend.

Mr. Nixon: What do they do in Schreiber for entertainment?

Mr. Charlton: I would ask the minister why can we not have a tax move that is effective in terms of offering a tax incentive to all the people of Ontario instead of a luxury, elitist tax break like this one? Why can we not have something that deals with the people in this province who really need help?

What do we see the government doing next? First of all, even if everybody in Ontario could afford to go to the theatres, and even if every theatre in the province were operating at half capacity and this increase in exemption to theatres were to fill all the theatres to capacity, it would not create any

new jobs. The ushers perhaps would have to work a little harder but it would not create any new jobs. It is very unlikely that everybody would go running out to build new theatres and to hire new staff, because people do not do that until the capacity has been there for some considerable time and the demand effectively warrants it. So it is not likely to have any serious effect in terms of economic stimulation either.

Some of the moves in this bill are positive, as I suggested already, but some of the moves make absolutely no sense at all. The government moves into the area of confections and candy bars and soft drinks, and increases the area of exemption from payment of the seven per cent tax to cover products costing 49 cents from products costing 21 cents. On the surface it is a tax reduction for some; it appears to be what they call incentive-stimulation.

Mr. M. Davidson: It's rotting my kids' teeth.

Mr. Charlton: What area do they pick? Junk food.

Mr. Roy: And no dental care program.

Mr. Charlton: Surely the Treasurer and the Minister of Revenue could have found, in conjunction with their staff, some area more socially appropriate that could have been more economically useful than the junk food area.

Hon. Mr. Maeck: Are you against children?

Mr. Samis: Are you against denticare?

Mr. Charlton: Perhaps the government should have considered something along the lines of a graduated retail sales tax exemption on energy-efficient automobiles instead of junk food that is going to rot kids' teeth, as my colleague says. Perhaps a graduated tax exemption on energy-efficient automobiles would have been a much more positive and stimulative move to make.

Mr. Gregory: Kids don't drive automobiles.

Mr. Charlton: But no, we're stuck with junk food. Not only is it an area that isn't essential to anybody in this province, this tax increase exemption is also inflationary. Already since the introduction of this bill, candy bars that a few weeks ago sold for 25 cents have gone to 30 cents; and they'll go to 35 cents and to 40 cents. It is stupid. Not only is this government dealing in areas that have very little relevance to this province in economic and social terms, but they are also adding to inflation in so doing.

But there are some positive areas in this bill. We have the government providing a rebate of up to \$700 on solar heating equip-

ment. That is useful, that is stimulative. It may create some new industry; it may create some jobs; it may create some economic expansion. It may also create, and most likely will create, some useful initiatives in the area of energy conservation.

We also have the section on textiles, which is at least to some degree useful. Isn't it nice though that the government turns around after making two positive moves in those areas and implements a tax on cable television and community areal television? The cable television tax and the community antenna tax is a tax that will affect everyone who partakes of those particular commodities.

In the urban areas of this province it is also going to affect senior citizens very seriously, who in large part don't have any choice about whether they have cable television or not, because it is included in their rent. They may not have a television, but they pay the cable rate anyway. So this is a tax that is going to affect those that can least afford it.

Last but not least, I would like to comment on the section of the bill that deals with the exemption on furnishings and food preparation equipment used in restaurants and hotels. It is probably a positive and a stimulative move. It could be very useful, but in their rush to complete this bill, perhaps even a rush to impress somebody, the government missed the mark, the Treasurer missed the mark, and the Minister of Revenue missed the mark. In order for this section to be really useful, it should have required that those commodities and items bought for installation in that particular sector be Canadian-made; that they be produced in Canada. They missed the mark. The effect of this section will most likely be lost. There may be some small effect, but they missed the maximum effect.

[8:30]

It's really unfortunate that in a bill with some positive moves we have to find so many contradictions and we have to find such a mish-mash of positive contradictions and omissions that leave us on this side of the House very seriously questioning where this government's economic direction is and where this government's economic approach will lead us, asking ourselves what its economic goals are and questioning whether or not anything it tells us in economic terms has any real meaning when we see this kind of contradiction all in one piece of printed matter.

Mr. Williams: Mr. Speaker, it's somewhat disheartening to listen to the negative atti-

tudes and comments expressed by the members from the third party—

Mr. Samis: How many Tories are listening to you?

Mr. Williams: —when they address themselves to major issues of the day as reflected in the budgetary policy of this province.

Mr. M. Davidson: We're talking about the retail sales tax, not budgetary policy.

Mr. Williams: To listen to the member for Hamilton Mountain speak seriously about the problems of the tourist industry and, in the same breath, express concern about whether we should really be assisting small industries in this province leaves something to be desired and something that should be read carefully when one reviews the official records of Hansard to see exactly where the members of the third party stand on assisting the small business enterprises of this province, which, I remind them, are still the backbone of the economy of Ontario.

I think the third party loses sight of the real facts of economic life in this province when one of the major industries of this province—the tourist industry—finds itself in not the best of economic times. One only has to visit our neighbouring states to the south to recognize that some of the economic disadvantages—

Mr. M. Davidson: You've already priced yourself out of the tourism industry and now you're trying to do it again.

Mr. Williams: —that exist in this province are related to the cost differentials in room charges in the neighbouring states.

Mr. M. Davidson: They're going to go up because of cable TV charges.

Mr. Williams: I think it's very difficult to encourage our American friends from the south to come to visit and spend their vacation time in this province when they find room rates for the regular-size family of three or four people would be perhaps \$26 to \$35 here while they could find comparable accommodation in New York State or Ohio or Michigan for \$19 or \$22. Even with the benefits of the exchange rate running in favour of the Americans, it is difficult to persuade them they are getting good value for their dollar if they find we are pricing ourselves out of the tourist market in this jurisdiction.

Mr. Nixon: When was the last time you checked into Sutton Place?

Mr. Williams: This government has recognized realistically the differential that does exist and has recognized the need to

come to the aid of the tourist industry to provide some assistance—

Mr. M. Davidson: By driving up room rates?

Mr. Williams: —in the form of tax relief to make it economically competitive with the tourist industry in the neighbouring states.

Mr. M. Davidson: Every hotel and motel with cable television will increase its rates.

Mr. Williams: It is only appropriate that this government would assist one of the largest industries of the province which, I understand, employs in excess of 400,000 people and represents over 10 per cent of the economy of this province as far as the labour force is concerned. For the members opposite in the third party to slough off the efforts of this government to come to the aid of this major sector of our economy—

Mr. M. Davidson: John, we support the tax exemption on the tourist accommodation.

Mr. Williams: —and look at it in a way of supporting them, reluctantly, does indeed leave something to be desired.

When, indeed, one of the major economic sectors of our province is in difficulty, the time comes for partisan politics to be put aside and for all members of the House to join with the government and support those industries by initiating what legislative benefits we can impose to assist those industries. We shouldn't be continuing to look at the tax proposals and benefits in a suspect way and in a partisan way. There may be some areas, and there will be certain bills that come before this House that we'll be debating later this evening, and later on this week, where the opposition will undoubtedly see fit again to oppose government initiatives.

Mr. Laughren: What do you think our job is?

Mr. Williams: But certainly this is one sector where I think there isn't room for that type of partisan bandying about. I think that we should, indeed, all be giving strong support to the tourist industry which, indeed, is in some difficulty. So it is with regret, Mr. Speaker, that I do hear these reluctant rhetorical remarks of support this evening from the third party.

Mr. Roy: You're being absolutely objective.

Mr. M. Davidson: John, you're wrong again. Do you ever read your stuff?

Mr. Williams: I guess the only surprise is that they support us at all in this initiative, Mr. Speaker.

Mr. Laughren: Don't feed the bears.

Mr. Williams: While I have yet to hear from the members of the official opposition I'm sure that they will take a more responsible position on this particular issue and will, indeed, be supporting the government in this particular initiative which is vital and imperative to ensuring the economic well-being of the tourist industry which so much needs our support at this time. So, Mr. Speaker, I would hope that with the support of the more responsible members in the opposition this evening, we will see a speedy passage of this legislation. Thank you very much.

Mr. Nixon: Mr. Speaker, I'm surprised the member for Oriole was not in his place when my colleague, the member for Erie, our official critic in the area of revenue, made it clear what our position was in this legislation. The bill is just diddling around with a piece of regressive taxation. I wish that the management of the tax base of the province had been such that we wouldn't need a sales tax at all. After all, the Conservative government in Alberta is able to finance its activities without a sales tax. I don't know how they do it when this government can't do it.

Hon. Mr. Maeck: Find us a few oil wells and we'll withdraw it.

Mr. Nixon: Certainly, it is an amazing thing.

Mr. Sterling: How are your provincial Liberal governments doing?

Mr. Nixon: If you were any good as a Tory government you would at least be able to do as well as your opposite numbers in the west, after all the hardships they've experienced these many years.

I can recall when the tobacco tax was included with the sales tax. I think it's worth about \$300 million. I see some people under the gallery who would know. It occurs to me that if you lumped it all together the revenues from sales taxes would be about \$2.5 billion, which has to be one of our major sources of revenue.

When Mr. Frost introduced the tax back in 1961, he thought it would be the end of the Tory party. He introduced it at three per cent with all sorts of exemptions so that it really was not going to be an extensive burden at the time. But since then, it has not only grown in size until we're collecting \$7 million a day, but it has become a significant political instrument, as the Minister of Revenue well knows. Seven million dollars a day is collected every day—Christmas Day,

Sundays, the minister's birthday, election day, every day—\$7 million a day is nickel and diming its way into the bottomless treasury of the province of Ontario. The allocation of those funds is, of course, a matter of major concern.

I would think the minister, although he wouldn't admit it, would probably be giving a rise to the person who had the brilliant idea to tax cable TV. They must sit around over these two-and-a-half-martini lunches thinking of ideas as to how they could expand the base of the sales tax, because it is extremely lucrative.

If, and God forbid, the Tories are ever returned with a majority, you are going to see that tax go up probably a point or two each year for the first couple of years so that they can extract themselves from the mire of deficits they have wallowed in for these many years. That is one of the reasons we are so committed not only to seeing that they are not continuing in their present minority situation, but that they are turfed out of office so that a new and clearer view of public finance can be introduced after these many years.

Mr. Conway: Down with the scoundrels.

Mr. Roy: They will be taxing babies next.

Mr. Nixon: Certainly the person who had the idea of taxing cable television was in a sense inspired. It is interesting that with one hand the government is taking it away from the television viewers and with the other it is channelling, funnelling, pouring \$20 million into Ontario television. I don't know if anybody in this room watches it and I don't want to spend all my time damning it, but there is \$20 million of expenditure there just so that we can see the reruns of Judy LaMarsh interviewing Stephen Lewis, and things like that, interesting though those matters may be, and our good and old friend Elwy Yost—and I don't know how to spell it, I say to Hansard—showing those great old movies and the reruns of my favourite television program, *The Prisoner*, which perhaps, Mr. Speaker, you have been able to see up in Schreiber.

I see, Mr. Speaker, you are looking at the bill and the relevancy that my comment has with the taxing of cable television. I happen to have an article here which had a fact in it which I considered interesting. It is from an article by William Dampier on TVOntario and in the article it says: "Two point two million people who live in the Toronto city area can choose from more diverse channels than any other metropolis in the world."

I found that quite interesting and I believe it is true. There was a time before the oppressive heel of government censorship descended when we could even get blue movies in this town. I understand that is not the case any more. There were some people in my area who didn't have access to cable who even put up a special rotor thinking that maybe by careful fine tuning they might be able to pull that in on a Friday night, but they tell me it didn't work worth a darn.

Mr. Sterling: All they got was All in the Family.

Mr. Nixon: I don't have cable television myself. Very few people in my constituency do, so it could be that those people in my area probably think cable is not a bad idea.

I am surprised, though, that the member for Oriole was so supportive of it because surely all the people he would normally call on for support are going to be called on to pay this additional tax. We haven't had such a strange tax since Mackenzie King tried to put tax on radio receivers. Do the honourable members remember those radio tax guys who used to go door to door collecting—was it \$5? I think they could collect \$5 and keep \$4 for themselves and send a dollar in to win the war. It was a funny kind of tax. This one I suppose is easier to collect.

I was interested also in the strong support the member for Oriole gave the concept of keeping the sales tax reduced on hotel accommodation. I interjected that perhaps he had not checked into Sutton Place recently, because even though we had extended this exemption, I was told by the fine lady behind the counter in Sutton Place yesterday, Francesca is her name, that the rates, even the special rates for members of the Legislature, were going up to \$40 today.

[8:45]

It seems to me that even though the sales tax is removed, the hoteliers in this community charge all the traffic can bear plus 25 per cent anyway. In those hotels where the amount of money is paid on an expense account, as is the case for members of the Legislature, there is a tendency to say, "Oh, well, \$40 or \$50; what's the difference?" I find it really appalling.

I say this frequently, and I suppose as I get older I'll say it more and more frequently, that when I was first elected here you could get the best room in town at an MPP rate for \$8 a night, actually \$5 a night if you went to the King Eddy, which in those days was quite anxious to have business.

Mr. Worton: Four dollars.

Mr. Nixon: The honourable member for Wellington South says \$4, but he has been here longer than I. My sainted father had a suite in the Royal York at \$1 a day for seven years. Of course, that was in a day when the Liberals were in office and the economy was much more moderate. Everybody was employed, the budget was balanced and all was right with the world.

Actually I have a feeling that the hotel-keepers are simply laughing at us as we reduce that tax because certainly their rates do not seem to reflect the reduction in tax. It is true, as the honourable member for Oriole has said, that the tourists from the United States are simply appalled when they come up here and see what they must pay even for moderate accommodation let alone the grand luxe that you get in Sutton Place. I mention that in case the manager happens to see my remarks because it is a very fine hotel.

You know we really are subject to very serious ripoffs, not just in hotel accommodation but in other areas. As I was dressing this morning before coming over to the Legislature, I was watching the Today Show, which is an American program, and there was an ad there for the Muffler Man, a company that the honourable members might do business with, although the minister with his government limousine doesn't worry about mufflers, that's for sure. It said at Muffler Man, and this commercial was from Buffalo, a motorist can get shock absorbers for \$39.95, and in small print at the bottom, it said they are \$59.95 in Canada. It just made me sick. Why should there be that kind of difference? I would think, Mr. Speaker, in case you're worrying about it—

Mr. Samis: Where does the sales tax come into it?

Mr. Nixon: —that a good deal of the difference has to do with the sales tax that's imposed on these products in this province.

Mr. Samis: You're stretching that one, Bob.

Mr. Nixon: I was also quite interested in the increase in the basic exemption to 49 cents. The NDP are worried about their children's teeth because they are of course very permissive as parents and their kids are working on bubble gum and stuff like that most of the time. Actually it's better if the parents impose some sort of discipline because I don't think the kids ought to be disciplined simply by the tax base; that's a bit far-fetched.

I do recall, and I think a few of my colleagues will remember, that back in the early 1960s there was a very strong feeling that

the base deduction should not be 49 cents but \$25. A very well researched prediction and review by noted economists indicated that even with an exemption of \$25, the revenue from the tax still could have been established on a basis where it would be, let's say, worthwhile. Perhaps it wouldn't have been returning \$7 million a day, but I don't think when Les Frost introduced this he was really thinking of it becoming the cornerstone of finance, even with the government of Ontario at such a heavy deficit level.

I personally was very pleased indeed to read of the exemption of yard goods and patterns. While the people in my area may not be concerned with cable television, most of the ladies and the farm housewives do a lot of their own sewing and I think as they become aware of the fact that yard goods and patterns are now tax free, and my wife tells me that the patterns are becoming very expensive indeed, the fact that they are exempt is something worthwhile, encouraging people to do that sort of work.

I wonder where that idea came from. It's interesting that as we see the various exemptions and changes in the sales tax over the years, one can usually trace the individual changes back to somebody's pet idea. I can remember the Honourable John White exempted flowers from sales tax and they are still exempt. It might have been because his in-laws were flower producers and great rose growers down in the Port Dover area. I said so at the time when he was here as Treasurer, so I guess he won't be offended if I say it again. They are still exempt and it's probably a good idea. Far be it from me to recommend the extension of the tax to other sales and other items.

Even a day or two ago when we were talking about land transfer tax, I read to the minister the recommendation from the royal commissioner, Lancelot Smith, that the land transfer tax was inefficient and that the government should apply sales tax to real estate commissions. I would hate to recommend that, but it is an alternative that is of interest.

Actually it is never a good idea for an opposition member to recommend an increase in tax. As I recall my history, it was one of my predecessors as leader of the Liberal Party, two or three back, who recommended at one time that the sales tax be established in the first place. It was for a very very restricted means—so that we could have the kind of education and health system we deserve. But probably the speech that did that gave Les Frost the courage to go ahead with the blooming thing.

Mr. Samis: Taking back any credit for it?

Mr. Nixon: But from small insignificant things come great monsters, and that's what we are dealing with now. I don't feel the principle of the bill is such that we can really support it or oppose it. It has become the cornerstone of the finance of the government of the province. The real cornerstone of course is the government of Canada, which raises most of the money for this government and transfers it, no strings attached, so the Ontario government can spend it as if it had raised the money itself, but that's another matter. So if there's any doubt in the mind of the minister or the member for Oriole, I don't believe there will be a division on this bill at least in principle.

Mr. Samis: Mr. Speaker, I must confess in addressing this bill I can't recall the days when the King Eddy charged only eight bucks a night.

Mr. Conway: Five.

Mr. Samis: My God, you are dated.

I must say I bear no personal grudges or wounds in terms of that former cabinet minister from Niagara Falls who has obviously battered and wounded the good man from Brant-Oxford-Norfolk for an eternity I think. Elections gone, career passé, that wound will show forever the scars upon us.

Mr. Nixon: The former cabinet minister.

Mr. Samis: Getting a little closer to the content of the bill, this one is a mixed bag. It is part of a generally inflationary inequitable budget. There are certain things in it that merit some degree of support.

First of all I would point to the special exemptions for the hotel-motel tourist accommodation industry. I think a previous speaker pointed out that really what we are doing is giving with one hand and taking with the other. In my area many of our tourists either come from Quebec or the United States and immediately they will notice the increased price of gasoline as they cross into Ontario; immediately they will know the increased costs of booze and tobacco as a result of this budget in Ontario—

Hon. Mr. Maec: No, no, that's wrong.

Mr. Samis: —so what they are saving, especially when they cross from New York state, they are going to be paying just for driving in the province—especially if they go on that gas-gouging 401. They will get all their money returned to the provincial Treasury through the exorbitant prices being charged there.

But I do support the idea of extending the exemption—as my colleague from Hamilton

suggested—in terms of the food preparation equipment. I think he had an excellent point in terms of specifying special consideration for Canadian-manufactured equipment and Canadian-manufactured furnishings. I don't see why we have to treat foreign, especially American, furnishings and equipment on the same level as Canadian. We have to encourage our own domestic industry. It is in enough trouble as it is. I think his suggestion of inserting a special clause to that effect was a very worthwhile one.

The \$700 rebate on solar heating equipment is something I think we, on this side, have suggested for several years now in various budget debates. The point I would ask though is why we still don't have in the province any form of home insulation program. I recall the flash from Prince Edward-Lennox promising before the 1977 election a major comprehensive home insulation program for the people of Ontario. Then as soon the feds began to move in that direction, it was, "We were thinking of it. We were intending it. We never made any specific commitment to it."

Such an insulation program would save more people more money in the province, because solar heating is beyond the financial capability of most people today. Most people are going to keep what they have in terms of their home heating systems. If we had a home insulation program, it would cut their costs, reduce our energy demands and obviously help our long-term economic position and help the consumer in Ontario. But, no, we are resorting to the solar incentive, which I can support on its own merit, but I think it is a poor substitute for a meaningful home insulation program in this province.

The one core part of this bill that I really reject and resent is the imposition of this new, nefarious and nebulous tax on telecommunications, especially the cablevision tax. I strongly oppose the imposition of this new tax. I know in my particular constituency, in the city of Cornwall at least, over 90 per cent of the homes now have cablevision. This is going to affect virtually everyone in our community, and that means working-class people, middle-class people and the upper-class people.

Mr. Bradley: The NDP.

Mr. Samis: We know with any tax—I hear my friend from St. Catharines. Remember Mackenzie King, and the taxes he introduced? Temporary measures, we were assured, purely temporary measures. We know the end result of that; the temporary measure unto eternity. It goes up virtually every year for the average working man. I would dare predict today that after the next election, if this bill is passed

and we have the cablevision tax, even if that side happens by some sort of fluke, to coalesce with the other side, then this tax first of all will be increased. I would dare say within three years it will be at least double the rate that is being suggested today in this province.

Mr. Conway: Are you against the baby bonus, George?

Mr. Samis: All you have to do is look at the saga of taxes, whether in Ontario, whether in Renfrew, whether in Canada or in any part of North America. We all know the saga of the income tax, that nebulous temporary measure. We all know the saga of the general sales tax; a temporary thing, just a minor tax. We all know that saga of the customs and excise tax. The Liberals especially know the saga of the customs and excise tax. We all know the saga of the gasoline tax.

Mr. Nixon: You are the only person who knows what you are talking about.

Mr. Samis: We all know the saga of the tobacco tax; we all know the saga of the alcohol tax; we all know the saga of the motor vehicle licence tax.

Mr. Deputy Speaker: And now back to Bill 58.

Mr. Samis: This is history, Mr. Speaker, leading up to this tax.

We all know the saga of the motor vehicle fuel tax; the saga of the OHIP premiums. We know whenever there is a tax imposed on the average taxpayer in this province, there is only one way it goes with the Tory government and that is up; consistently. The history of Ontario is clear, and even the member for Ottawa East can see that. I would defy the minister to tell us that three years from now this tax will not be at least double the rate that we are now being asked to approve today.

Mr. Bradley: Not in Parry Sound.

Mr. Samis: It is interesting, Mr. Speaker, that this tax has created such a reaction in my own particular constituency that one citizen, completely on his own, a Mr. Alex Seguin, has taken it upon himself to start a petition to protest this tax. He has never in his entire life engaged in any such activity. He tells me that as of tonight—I think he started a week or so ago—he has already got 2,000 people to sign that particular petition protesting this tax. I emphasize, this man has never done this sort of thing in his life before. He is an ordinary working man who is currently unemployed, protesting this tax.

Mr. Speaker: you look at that person who is watching his cablevision and he says,

"Gee, well, I don't mind this tax if I know everyone is sharing it equally in terms of the overall budget and the imposition of taxes." But then he looks at this budget and he see what happens with people who have estates of more than \$300,000; he sees what happens to the corporations that get \$200 million given to them; he sees what happens to the pulp and paper companies, that have \$100 million given to them. Then he sees what happens to poor Henry Ford, who has \$28 million given to him; he sees what Lord Darce gave to the manufacturing sector last year in tax deferrals—\$115 million.

Yet here we go imposing a new tax for the sake of raising seven million lousy bucks in this province; we hit the average taxpayer again. We allow the loopholes to continue, we allow the privileges to continue.

Let me be very constructive tonight. The minister would say, "Well where else would you tax, if not the cablevision tax?" Let me make a very specific proposal.

Mr. Warner: The Progressive Conservative Party.

Mr. Samis: On page 15 in the budget statement the Treasurer proposes to increase the capital tax rate on banks.

Mr. Deputy Speaker: Order. The honourable member is straying considerably from this bill.

[9:00]

Mr. Samis: This is the retail sales tax, Mr. Speaker, I am contrasting the burden. While we are increasing the tax on the average consumer via cablevision, we are increasing the tax on the banks from three fifths to four fifths of one per cent, effective the night of the budget. If we were to increase that from three fifths to a full one per cent on those poor, downtrodden, suffering, profit-starved institutions called banks, we would not have to have a cablevision tax.

I notice the federal leader of the NDP last week exposed another area where the banks are pocketing increased profits and paying the same level of taxation as the average working man does in Ontario. I would say that if this minister wants equity in this budget, let him scrap the cablevision tax and raise the tax on the banks and the people of Ontario will support him 100 per cent.

Mr. Deputy Speaker: The honourable member for Carleton-Grenville.

Mr. Roy: I suppose you are going to support this act.

Mr. Sterling: Yes, Mr. Speaker, I am rising to support this particular bill—

Mr. Warner: One of the Sheriff of Nottingham's men.

Mr. Sterling: —in one regard, and express some disappointment in one area which I think perhaps should be expanded. The area which I find most encouraging relates to the raising of the exemption on the sales tax for the small items. To a lot of people this will not mean a great deal in terms of financial matters, but I can assure the minister it is much appreciated by the small businessman, the owner of the corner store.

Mr. Lawlor: I thought you were going to talk about solar energy.

Mr. Sterling: I am going to talk about that in a minute if you will just give me a chance.

That particular exemption is very important to the small corner store.

Mr. Lawlor: Are you talking about my Uncle Mac?

Mr. Sterling: Yes, I am talking about the member for Lakeshore's uncle, from whom my son happens to purchase many items. His business has increased substantially since the drop of this particular tax.

In relation to the solar energy debate, I would like to draw to the minister's attention other energy-saving devices that should probably also be looked at, in terms of giving some kind of tax incentive to the use of these particular devices. I point out in particular the use of heat pumps, which are becoming more and more in vogue as more are used in construction of new houses.

Mr. Laughren: Do you know anybody who has one in his house?

Mr. Sterling: I do happen to know of one person who installed one last year. I understand the savings in regard to energy at maximum efficiency are on a rate of three to one. Therefore, in trying to encourage people to conserve energy in these times, I think perhaps the ministry might look at heat pumps in future and encourage the use of such devices in homes for heating.

Mr. Eakins: Mr. Speaker, I think it is appropriate I should speak tonight on the retail sales tax, for it was the former member for Victoria-Haliburton some years ago who introduced the retail sales tax to Ontario.

Mr. Hall: It is up to you to take it off.

Mr. Wildman: Not from your side of the House.

Mr. Eakins: Someone said, "Not from this side of the House." The distinguished former member started on this side of the House and I expect that in the same length of time

I will be going across the floor to join the government when we move over there.

Mr. Warner: Dreamer.

Mr. Eakins: Our party will be moving over very shortly.

I want to address my remarks to the tourism industry, for I feel very disappointed it has not received the consideration it should. It has not had the priority or the profile the tourism industry deserves in this province. It disturbs me that this is the only province in Canada that gives such a low profile to the tourism industry. Members can check the various jurisdictions and I think they will find this is the only province in the whole of Canada in which tourism is a second cousin to some other ministry.

I want to mention just a few things that I think are very important. While we appreciate the concern for the hospitality industry shown by the removal of the accommodation tax, I think we should know far enough ahead for planning purposes just what this tax is going to be. We did not know until the budget came down that it is going to be extended for another two years; yet we have not taken into consideration what conventions mean to this province.

I think if the minister will consider talking to the people in this business he will find they have to plan many years ahead. Many of the large conventions that came to this province are booked several years in advance. In order for people in the convention bureau to be able to deal with this they must know well ahead what rates they can extend to the various conventions. This is a very big business indeed. I would suggest the minister give consideration to letting us know far enough in advance in order that we might have orderly planning.

I am rather concerned about the lack of consideration to the hospitality industry as regards the 10 per cent tax on meals. This is probably one of the few areas in which there is a 10 per cent tax. I feel it should be no higher than the tax on any other commodity. On a fur coat, for example, it is seven per cent, yet on a meal one must pay 10 per cent. If we are really going to take the tourism industry seriously, I think this 10 per cent tax should be reduced.

When I mentioned this to the Minister of Industry and Tourism (Mr. Grossman), he said, "Oh, that's only nickles and dimes." If that is so, then there should be no problem in reducing it to show that we in Ontario do consider our second largest industry is very important to us indeed. The hospitality industry employs directly and in-

directly something like 400,000 people; and I believe it means to our economy about \$5.8 billion. I would ask the minister to give serious consideration to the reduction of the tax to at least not more than seven per cent.

I notice that in the Treasurer's press release he mentions furniture and furnishings purchased by the hospitality industry will be exempt from sales tax. In an article in the *Financial Post* some concern is expressed by the Commonwealth Holiday Inns: "The items look good at first glance, but once you dig in you find that many things are missing. For example, the exemption does not apply to mobile buffets in the kitchen, refrigerated displays, renovations or table linens, all of which are large purchases. Beds are exempt, as are desks, but not bedspreads. Chairs in a public room are exempt, but not chairs in a bedroom. Replacement of carpets is a big item. But these are not exempt, nor are wall furnishings, including pictures."

They also go on to mention, "One long-term peeve in the industry is the escalating cost of beer, wine and liquor. Ontario restaurants, unlike their American counterparts, do not get volume discounts, and then tax is paid again by their customers." So I feel, as some of the other honourable members have mentioned, that the assistance the minister has given with one hand has been taken away with the other.

With respect to the measures aimed at stimulating the hospitality industry in this year's budget, I wonder if the minister has considered what the net effect will be of the \$45 million budgeted for the tourist industry after the appropriate portions of the \$100 million in tax increases in alcohol and gasoline fuel consumption have exerted their depressing effects on that industry. I wonder if the minister realizes that even if half of these tax increases were attributed to tourist consumption, they would completely wipe out the \$45-million stimulus for that industry.

I feel, if we're going to take this industry seriously, we should be giving it greater tax concessions and help. I want to draw to the House's attention one of the very successful programs in British Columbia, whereby they have, through retail sales tax and other areas, supported the tourist industry by helping it to upgrade its facilities so that it can operate on a four-season basis. I think we can help increase our revenues in this province by assisting in this field.

We have not done that. Witness the help we have been able to give in the Ontario Home Renewal Program. This has been great for the home industry, but we have not come

to grips with the particular area of which I speak in the tourist industry.

Hon. Mr. Maeck: We didn't use the retail sales tax.

Mr. Eakins: Mr. Speaker, these are just a few of the concerns I have. The one concern is with keeping our rates competitive with our neighbour, the United States. In the past year we have played on the fact that we've got to keep down our minimum wage in order to make our rates competitive. I feel we cannot do this any longer. We cannot use the minimum wage as a whipping boy to offset the cost of increased liquor prices and other charges that will affect this industry.

Mr. M. Davidson: Mr. Speaker, I didn't really intend to speak on this bill until I heard the member for Oriole—

Hon. Mr. Maeck: You might as well. Everybody else did.

Mr. M. Davidson: Thank you, also—until I heard the member for Oriole stand up and try to berate my colleague, the member for Hamilton Mountain. Of course, the member for Oriole was wrong, as usual. He was trying to imply that we on this side, in the New Democratic Party, somehow or other were in opposition to the fact that the government was exempting tax on hotel/motel accommodation. Let me assure you, Mr. Chairman, and the minister, that that is not, in fact, the case.

It's unfortunate that the member for Oriole chose to make his little statement and then turn tail and run, knowing full well he would be challenged on that statement. I'm quite sure he was aware, when he said that, that we in this party, and the Liberal Party also, support that part of this bill. We support it because we recognize and realize that the tourist industry in this province is falling far behind those of the surrounding provinces and the states below us.

We have to do something to recoup the loss we've suffered over the last number of years. But, again we get into a situation where this government has forgotten to look at the overall implications of what in fact this bill does. We get into the area of taxing, at a rate of seven per cent, telecommunication services, which includes cable television.

Let me assure the minister and you, Mr. Speaker, that having spent a good 10½ or 11 years of my life "on the road"—as it is known—living in hotels and motels, my experience tells me that any increase that goes into cable television in a hotel or a motel will in turn go to the person who rents the accommodation.

The minister may very well say the increase is only 46 cents to 50 cents per month per unit. But I am prepared to stand here and I am willing to bet that that tax will increase room rates in Ontario by at least \$1 per night. With one hand the minister extends exemptions to the tourist industry and with the other hand he puts them in a position where they have to increase their normal room rate in order to pay for the costs of cable television.

[9:15]

The minister shakes his head "no." I'm telling him my experience.

Hon. Mr. Maeck: You don't own a motel. You were just a tenant. How do you know?

Mr. M. Davidson: I have friends who own hotels and motels because I lived with them, as I said, for 10½ years. I know what they told me.

Hon. Mr. Maeck: You know why they raised the rates, eh? They explained that to you. Don't give me that stuff.

Mr. M. Davidson: The minister should just watch what happens. I'm willing to bet him right now they will increase it \$1 per day.

Hon. Mr. Maeck: Who will ever prove it? It's 27 cents a month in hotels.

Mr. M. Davidson: I also want to suggest when that happens and his eyes are suddenly opened to the fact that he had better be ready to assume the responsibility for that because it is he who is, in fact, implementing this tax on cable television.

Hon. Mr. Maeck: I will gladly. We always do.

Mr. M. Davidson: In addition to that, as the member for Hamilton Mountain pointed out during his speech, he is taking away in two areas the opportunity for the lower-class earner in Ontario to get any form of entertainment at a rate he or she can afford. He is imposing a 10 per cent tax on any fee that goes over \$3.51 for entertainment purposes in this province.

Hon. Mr. Walker: A penny and a half a day.

Mr. M. Davidson: I have yet, in the later days, to see any theatre that does not charge an adult over \$3.50 to get in. At the same time, these very people who can't afford to go out to the fancy shows that maybe we can get out to see, and who have a cable television set hoping they can get some form of entertainment for their family—

Mr. Bradley: Zapped again.

Mr. M. Davidson: —are, in fact, going to have a seven per cent tax imposed upon them.

Mr. Bradley: The member for Oriole is now back.

Mr. M. Davidson: The member for Oriole should be back. As usual, as I said earlier, and I'll say it in his presence, he was wrong in the majority of things he said earlier.

As the member for Hamilton Mountain pointed out, there were certain things in this bill which we could support.

Mr. Mackenzie: A tax on the member's speech. He should put a tax on his words; so much a word on the member for Oriole's speeches.

Mr. M. Davidson: I don't know anyone who would want to buy them.

Now the member for Oriole is here I can say the member for Hamilton Mountain pointed out, under the explanatory note (c), that we in the New Democratic Party support the seven per cent exemption on hotel and motel accommodation for the tourist industry. I repeat that, Mr. Speaker, just so the member for Oriole is very clear on where we stand and does not go out espousing his phoney theory with regard to the position taken by this party.

Mr. Roy: It sure is phoney, I'll tell you that.

Mr. M. Davidson: Under note (d), Mr. Speaker, we talked about and I agree with, as I'm sure our party does, a rebate of up to \$700 for the purchase of parts and materials incorporated into solar heating systems in residential premises. I agree with that wholeheartedly. Knowing the cost of implementing the solar system into a residential premise I simply say that perhaps that should have been raised to \$1,000 to make it something worthwhile to encourage people to go to that form of heating in Ontario in order that we can get away from the exorbitant costs of running Ontario Hydro as in today's situation.

When the member for Brant-Oxford-Norfolk was speaking, I jokingly made an aside to him that the exemption on candies, confections and soft drinks up to the amount now exempt was, in fact, rotting my children's teeth. I made that as an aside and he made some kind of a comment about this being a permissive kind of a party.

We're no more permissive than anyone else with our children. I'm quite certain that if you have children, you know full well you can't sit on top of their heads all day long. When they are out on the street along with the rest of the kids in the neighbourhood, if they want to go and buy a candy bar and eat it, you are not there to give them guidance and direction as to what they are to do.

More than that, the kind of exemption the minister makes here does not benefit too many people in this province. Far better, if we are going to exempt any kind of tax, that we exempt it on winter clothing for people who live in the areas where it is necessary to wear heavy-duty clothing, or on winter clothing for adults who work outside. Those kinds of exemptions make sense and are far more productive to our society than exempting candy and confectionery, particularly from a government which does not even believe in the implementation of denticare, never mind discussing it or talking about it in its budget.

Hon. Mr. Walker: What does the member have against kids?

Mr. M. Davidson: I have nothing against kids. I have six of my own. They are all well-oriented, and I don't have to sit on them as perhaps the people over there do.

Interjection.

Mr. Acting Speaker: If the member for Cornwall wishes to interject, will he please return to his own seat?

Mr. M. Davidson: The bill talks about making certain exemptions dealing with textile and clothing. I welcome those, because I come out of the textile industry.

Hon. Mr. Walker: Six kids?

Mr. M. Davidson: Yes, I have six kids. Some of them are almost as old as the minister; at least in mind.

I welcome those exemptions, because I come out of the textile industry and I know the necessity and the need for the textile industry in this province to get some form of tax break. I can only suggest to the minister that his exemptions do not go far enough. Perhaps he should take another look at that in areas such as my good friend from Victoria-Haliburton has pointed out, that while exemptions are given in the tourist industry and the restaurant industry in terms of purchasing equipment, if there are certain things that apply, like if you nail it to a floor, tack it to a wall, or screw it to a wall, or screw it to a ceiling, these are somehow or other taxable items. I would like the minister to take a look at that and review some of that, because I am sure he could find a few more exemptions in there which would not become taxable.

Lastly, I speak to what the member for Hamilton Mountain has suggested, the exemptions that are given to certain furnishings and food preparation equipment in restaurants and hotels. During the course of his speech he mentioned that the provi-

sion about those being manufactured in Canada is not prevalent in the bill.

In my riding and in the surrounding ridings—and I am sure the members from the Kitchener area will be well aware of this—we have wholly owned Canadian companies which manufacture the very needs that the minister is referring to in this bill. It would be very nice if somewhere in this bill he could include a provision that these exemptions apply to the purchases of goods manufactured by Canadians in Canada—preferably in Ontario, but not necessarily. Then the minister would have something worth talking about; then that section of the bill would make sense. Right now it means nothing at all, because all we are going to do—I can see it now—is provide jobs for those in the United States and exempt the purchaser up here for purchasing them.

Mr. Roy: Mr. Speaker, I was quite prepared to yield the floor to the Minister of Correctional Services if he wanted to give us his comments on this tax, but apparently he does not wish to do so. I was wondering whether we would hear from this minister, whose leanings we know and about which we will not comment, what he feels about the exemptions, the taxation on cable television and so on.

Since my early days in this place, I have always found it somewhat ironic that the Treasurer comes in with the budget and imposes new taxation, but he is never around to defend the tax changes. We've seen the repetition through a variety of ministers but I think our anger or frustration will be somewhat controlled because it is unfair to take it out on the Minister of Revenue who, of course, was not the initiator, the one who originated the tax, but is only here to defend it.

From your lengthy experience in this House, Mr. Speaker, you will understand that sometimes we've reached situations that were clearly impossible. The minister will recall one of his former colleagues, Arthur Meen, when he was Minister of Revenue, defending the Land Speculation Tax Act. We kept saying to him at that time, "Before you proceed with this tax are you sure that you have approval of the federal authorities so that there will be no double taxation; are you sure that the speculation tax is an exemption on the federal tax, because we would possibly end up with 110 per cent taxation on any speculative profit?"

Hon. Mr. Macé: What does this have to do with the retail sales tax?

Mr. Roy: I'm just trying to give the minister a bit of history, a bit of perspective.

He'll need a bit of perspective in that job. I say to the minister, Mr. Speaker, Arthur Meen took the abuse, he took the blows and, as it turned out, they had not obtained federal government approval. They rammed the tax through the House with the majority they had at that time and then had to come back with amendments when it proved to be a ridiculous tax and they had not obtained approval for the exemption from the federal authorities.

The minister is sitting there listening to the comments of various members as to what they feel about this sort of—I really don't know what to call it—sort of chintzy, taxation here, taxation there. It seems to be the type of budget where the government said, "We'd better not go too hard in any one place but we'll try to get all the corners, cut the corners here. We're going to try to get everything that is not taxed now." I'm surprised that the government hasn't thought to tax some of the wilder schemes going on in the province. Possibly they were thought of but it didn't have the guts to go ahead.

I want to raise something: when the government is looking at areas of taxation, why doesn't it look at the overall setup in this province? The merchants in the Ottawa area were very disappointed by this budget and by this tax in particular. As you know, on the other side of the Ottawa River in Hull, Quebec, there is an exemption on the sales tax for furniture, for clothing. So the merchants on the Hull side of the river have an unfair advantage over the merchants on the Ottawa side of the river. I would have thought that the government would have looked at that situation to try to balance it out. But of course, this government being the party it is forgets about the Ottawa-Carleton area, it forgets about the people there, it forgets about the merchants in that area.

It is not something new, it's something that Parizeau, from the Parti Quebecois government, brought in over a year ago. I would have thought that when the government was nickel and diming everybody it wouldn't have been too difficult to allow an exemption on some of these items.

For instance, the exemption on furnishing. Why was it limited to hotels, motels, resorts, cottages, cabins and place of that nature? Why wasn't the tax eliminated for the ordinary purchaser? Or at least eliminated for a particular area of the province. If the government is going to be nickel and diming anyway and passing a bill which is as complicated and as illogical as this one, it would have been just as logical to have some method in its madness and give the merchants of Ottawa

a break or a fair advantage in competition with the merchants on the other side of the river.

I was just reading the other day in the last quarterly report from the merchants in the Ottawa area that apparently their business has gone down about 10 per cent from last year, whereas on the Hull side their business is up 30 and 40 per cent.

Hon. Miss Stephenson: Sure, the feds moved all the offices across the hall.

Mr. Roy: It's not the feds. The minister is starting to sound like Jean Pigott. Her perspective of the country is based on a sewer pipe. She knows that's what she was talking about, moving it back on this side.

Mr. Conway: Claude Bennett would applaud it.

Mr. Roy: When the minister formulated this budget, was there no input from our ministers from the Ottawa area? I ask the member for Carleton-Grenville, did he not have any input on this budget to bring forth the case of the Ottawa merchants about the unfair business situation they are in?

[9:30]

Mr. Bradley: They didn't even consult him.

Mr. Roy: If he did have some input, obviously he didn't have any weight. He couldn't convince his colleagues. What's wrong with him there?

Mr. Sterling: I am a lightweight. That's my problem.

Mr. Roy: I say to my colleague from Ottawa South (Mr. Bennett), where was he when the minister was putting forth this legislation? Where was the member for Ottawa West (Mr. Baetz)? He bragged around Ottawa that he has a lot of weight in the cabinet. What happened there? There was no input.

Mr. Speaker, I think you will agree with me that it's unfair that the merchants on one side of the river should have a tax exemption on items such as clothing, shoes and furniture when the merchants of Ottawa or Ottawa-Carleton don't have the same exemption. I think it's very unfair and I want to say to the minister that even his friends in the chamber of commerce are mad at him out there. I hope the same attitude prevails for a while because those people opposite certainly deserve it.

Mr. Conway: Poor Claude has no more influence.

Mr. Roy: No.

Mr. Makarchuk: The guys in the liquor stores feel the same way about him too.

Mr. Roy: Now, Mr. Speaker, in looking at the information bulletin as well, I really won-

der if the minister expects ordinary merchants, ordinary people, in the course of their business to be able to distinguish what is taxable and what is not taxable with this new legislation. For instance, Mr. Speaker, if you buy beds including frames, headboards, springs and mattresses, you don't pay a tax. But if you buy parts for repair and maintenance of these furnishings, you pay a tax. Now what's the logic there? Does the minister want them to buy new products only?

For instance, Food choppers are exempt, but food wrapping equipment is not. Why don't we try to have some logic in the process? Why would blenders be exempt, Mr. Speaker, and not exhaust canopies? I ask you, what's the logic there? Why would dishwashers be exempt, I ask the Minister of Education, and not mobile buffets, wagons and cooking units? I ask you, what's the possible logic of something like that, Mr. Speaker?

Hon. Miss Stephenson: What's illogical about it?

Mr. Roy: Why would grills and grinders be exempt from the tax and not table linen? I ask you, Mr. Speaker. Why would that be? I ask the minister, doesn't he expect our tourist guests to have table linen?

Hon. Mr. Maeck: Do you call table linen part of cooking equipment?

Mr. Roy: The government has the slogan, "We treat you royally," and it is taxing table linen.

An hon. member: How stupid can you get, Albert?

Mr. Roy: Now, Mr. Speaker, I ask you, can you tell me the logic of something like that? You know, I could go on; I could go on.

Hon. Miss Stephenson: You do. You do.

Hon. Mr. Maeck: I wouldn't if I were you, Albert, you are making a fool of yourself.

Mr. Roy: I can't, for the life of me, Mr. Speaker, understand such things as why slicers, stoves and toasters would be exempt from taxation and not refrigerated displays, storage equipment and waste disposal equipment? That should be exempt—waste disposal equipment.

Hon. Mr. Maeck: Does that help you cook? We are talking about cooking equipment.

Mr. Roy: Now I know the government's environmental policy. It is not prepared to make waste disposal equipment tax free, eh? It is going to dump it out there on the street, sure. The minister read the article in the Globe and Mail about the waste.

An hon. member: You haven't got a clue. You are making a fool of yourself. Why don't you sit down?

Mr. Roy: We have more waste here in Ontario than any other province in Canada.

Mr. Breithaupt: And we are looking at it too.

Mr. Roy: What I am trying to point out, Mr. Speaker, is basically this: as my colleague from Brant said some time ago, there's no logic, rhyme or reason in the process. Where is the government's principle? Doesn't it have something—

Hon. Mr. Maeck: Why don't you read the act?

Mr. Roy: I am reading the minister's circular. What else does he want me to read? I am reading the information bulletin. It even has the minister's name on it. "Lorne Maeck." My God.

Mr. Nixon: Is it bilingual?

Mr. Roy: "Is it bilingual?" my friend asks. It is going to be just as confusing in French as in English, I am sure. Now, Mr. Speaker—

Mr. Breithaupt: And that's saying something.

Mr. Roy: Some of my colleagues have mentioned the taxes on cable TV and I too think that is a bit much. The government is really going after the citizen at the bottom end of the scale. It figures it wants to nail him some more, the senior citizen whose only enjoyment is his cable television. In Ottawa-Hull, the only way to get TV Ontario and the French language channels is to have cable.

Mr. Nixon: ETV costs us \$20 million this year.

Mr. Warner: You're scraping the bottom of the barrel.

Mr. Breithaupt: It's the only thing available.

Hon. Mr. Maeck: It's only 46 cents a month. Are you suggesting that is going to break their back?

Mr. Roy: My God, what is wrong with the government? We are capitalists on this side here, but we have some conscience.

Mr. Warner: Don't be proud of that. You should be ashamed of it.

Mr. Roy: Yes. When the government is prepared to tax senior citizens and then raise the taxes on banks by one fifth of one per cent after their profits, that is a bit much. The government is prepared to slap a tax on people whose only enjoyment is watching their television sets. But the banks are making all these profits and the government is

going to get only \$5 million out of the banks this year.

Interjections.

Mr. Roy: There is no heart, no conscience, no rhyme or no logic in the process.

Mr. Conway: The minister has come a long way from Parry Sound.

Mr. Roy: The Treasurer should be here to try to give us the logic of his approach. My God, the government has no conscience at all. I checked into the hotel room the other night and I came to watch my favourite movie by paying a bit of money. Even pay television is taxed now. It is awful.

Mr. Nixon: He watches some pretty fancy movies.

Mr. Roy: That's right. I have got to pay a tax now. Is that fair?

Mr. Sterling: We should double the tax on those ones.

Mr. Makarchuk: Where is he staying?

Mr. Roy: If it was their intention to curb the sinful activities of these movies, why don't they go all the way? I am surprised that they didn't impose a tax on some of the more natural and human activities. Are they going to start checking on that?

Hon. Mr. Maeck: Then you'd be really worried.

Mr. Roy: When I look at the process and at the logic of this bill, I say it is illogical and it is idiotic. It doesn't approach solving some of the problems, such as those in the Ottawa-Carleton area. It is prepared to give the banks a break and yet hit the senior citizens or the people at the bottom end of the scale. It is unfair, but the government will get away with it because it is going to do it on a nickel-and-dime basis.

Hon. Mr. Maeck: Now you are going to tell me that you are going to support it.

Mr. Roy: The minister is asking me what I am going to do and what we would do. Our taxes on the bank profits would be more than an additional one fifth of one per cent, my friend. They would bring in more than \$5 million, I don't think the banks with a 30 to 40 per cent increase in profits this year would have minded at all.

The government is gutless. It is prepared to take on the small people who are defenceless, but it is not prepared to accept its responsibility.

Hon. Mr. Maeck: We are prepared to take responsibility.

Mr. Ashe: What a lot of baloney!

Mr. Roy: It is typical of the government, as we have seen, as my colleague from Brant-

Oxford-Norfolk said, when it first brought in the sales tax.

Mr. Ruston: The party of the privileged.

Mr. Roy: The government is running out of principle, and it won't be long before we will run it out of office.

Hon. Mr. Maec: And you are running out of common sense.

Mr. Laughren: Mr. Speaker, I was really pleased to hear the member for Ottawa East take the position he did because we are going to give him an opportunity to join with us in amending this act to exclude cable television. That is what we are going to do. We think that is an obligation on our part. I am sure the Liberal caucus will support us in this move, given the remarks we have just heard from the member for Ottawa East.

Mr. Roy: I give you my word.

Mr. Laughren: It is not often I agree with what the member for Ottawa East says and I don't think that it should be interpreted as any kind of trend.

Mr. Roy: I will tell you what. If you can go on an election on this I am with you all the way.

Mr. Sterling: Now the member for Ottawa East has done it.

Mr. Laughren: I did want to let the Liberal caucus know so they could meet either late tonight or before this bill actually goes into committee, because we do have an amendment prepared which will remove cable television from this act. We will see whether or not the Liberals are just talking or whether they are going to put their money where their mouth is.

There are some parts of this bill, as my colleague the member for Hamilton Mountain said, which we can support.

An hon. member: It must be wrong if you support it.

Mr. Laughren: It is a difficult bill on which to take a firm position in total. That is why we are going to support the bill on second reading but propose a specific amendment or so on it.

There were items on which exemptions could have been made. For example, larger children's clothing should have been exempted. There are many, many families whose children take the larger-sized clothing and it should be exempted. There would also be other people who would benefit. I realize I would not benefit because I buy all my clothes at George Richards, but I do know of people who would benefit from this.

That is one area. Another area where items could have been exempted is in everything

to do with physical fitness; all physical fitness equipment and clothing could very well be exempted. It is a very sensible suggestion that perhaps the minister will think about and could even entertain as a minister's amendment when we get to the committee stage. It would have nothing to do with altering the principle of the bill and it would be a very positive move on the part of the minister.

Another area he might think about is the whole area of equipment for making one's feet straight—what is it called?

Mr. Deputy Speaker: Would the honourable member return to the items in the bill?

Mr. Laughren: Yes, Mr. Speaker.

What is bothering us about the bill itself, which is what we are here to debate, is that it is like so many of the other tax measures that flow from the budget: it really does not have any kind of direction or focus. Whether it is regional development—there is nothing on that in the budget; whether it is a tax policy—there seems to be no rhyme or reason to it, as my colleagues have said.

I have nothing further to say because of the constructive, inspirational and penetrating comments that have already been made by my colleagues.

Mr. Makarchuk: If you raised the price of gas you would not be able to get to Parry Sound, Lorne.

Mr. Bradley: Very briefly, Mr. Speaker, I would like to express a couple of concerns about tax measures, not necessarily in those cases when the ministry takes the action itself, but the reaction of those who are benefiting from the decreases or the exemptions.

I do not think I can emphasize too strongly the disappointment those of us in opposition and I am sure many in government feel when the government extends and this Legislature approves certain tax exemptions, and then the industry or business benefiting from those tax exemptions does not play ball with the Ministry of Revenue or with the provincial Treasurer. Instead it goes about increasing particular rates or particular prices.

I think this evening we have had expressed the sympathy and the agreement of members of both opposition parties with the continued exemption from sales tax for hotel and motel rooms. When we express disappointment we express it because the industry at the same time has decided to increase prices. I can recall at least one hotel which on two occasions, if my memory is correct, has raised its prices since this exemption was allowed.

I do not know exactly how one can communicate one's disappointment about this;

perhaps through the Minister of Industry and Tourism and through the Minister of Revenue. I'm referring to the disappointment the government and members of this Legislature have when we see hotels and motels proceeding with significant increases in their rates after they have been given a tax break by the government. It leads one to believe they are taking advantage of this; in effect the increase is proceeded with because the government has decided to cut back its share of the take in the form of the sales tax. We are concerned when that does happen, although we do support that particular exemption.

[9:45]

The other portion of this that we express concern over, and I join other members in this, is the cable TV tax, probably because television for those in the lower middle income and lower income brackets is the primary form of entertainment.

It used to be said with a good deal of derision and criticism that when one drove through the Appalachians and other depressed areas south of the border and saw shacks, the homes of those on government assistance perhaps, or of those with low-income jobs, the homes would be ramshackle, the yard would be littered with broken-up cars, but there would be a television aerial sticking out of the roof. Somehow people would be critical of this: here they are with a broken-down home, with very little else, but they have a television set.

Of course the argument counter to that, and which one should be able to perceive, is this is essentially the only form of entertainment these people have.

We have now evolved to a situation, particularly for those in northern Ontario or other areas that do not have direct access to a large number of television stations, or indeed, even in southern Ontario, where those people are now involved with cable television services. Let me give you another example of that, Mr. Speaker. I think senior citizens particularly, but others within Ontario Housing Corporation complexes, have enjoyed a pretty favourable rate for cable television because Ontario Housing Corporation, through the Ministry of Housing, negotiated some time ago a bulk contract which provided cable service at a substantially lower rate than would be available to the average consumer.

These bulk agreements have evaporated, or lapsed at the very least. We now find these people, who are in the lower income brackets, captives of cable television because

in these buildings they are not allowed to erect large towers or individual aerals. They either have the choice of rabbit ears, which aren't very useful, or cable television. We find these people now compelled to pay rates of \$6.50 or more a month.

What we are doing now by instituting a cable television tax is putting an additional burden on those who are not always able to pay it. I think I would be fair to concede there are people who have cable television who can afford this tax. It does not take into account, as is the case with some regressive taxes, the individual's ability to pay.

This is the objection and concern we in opposition express to the taxation of this particular service, which we consider to be an essential core service for those who are unable to afford some of the other forms of entertainment which are much more costly and which involve travelling some distance in the community to theatres and other entertainment centres.

In praising the minister for continuing the hotel tax exemption, I also express concern about the industry not translating that into an advantage but rather looking upon it as a way to recoup what they feel should be some excess revenues; and I've concern about the cable TV tax. I hope the minister will certainly re-evaluate the second and communicate our message to the first group.

Mr. Peterson: Mr. Speaker, I rise to speak on this bill. I am disappointed only about the attendance in the House tonight.

Mr. Nixon: This is good attendance.

Mr. Ashe: You just came in 10 minutes ago.

Hon. Mr. Maec: You just got in here.

Mr. Peterson: It is interesting to note—I know that Hansard will note the Liberal Party has the greatest number of members present. It is obvious how much the NDP care about it, having four of their weaker members sitting here in the House, and not one front row member.

An hon. member: Where were you until five minutes ago?

Mr. Warner: We had five speakers on this before you even arrived.

Mr. Peterson: I almost wish I had never said that because the member for Scarborough-Ellesmere will be barking at me like a cocker spaniel for the duration of my very few remarks.

Interjections.

Mr. Deputy Speaker: The honourable member will direct his remarks to the chair.

Mr. Peterson: I am talking on these very important budget bills. Would the Speaker call for order?

Mr. Deputy Speaker: I would appreciate it if the honourable member would direct his remarks to the chair.

Mr. Peterson: I'm trying to do that, Mr. Speaker. If you would be so kind as to throw a bone to the member for Scarborough-Ellesmere, perhaps that would occupy his attention for 10 minutes while we discuss the substance of this particular bill.

Mr. Makarchuk: How can you discuss it, if you haven't been here all night?

Mr. Peterson: In response to the member for Brantford, Mr. Speaker, I've been listening to this debate very carefully on the squawk-box in my office.

Mr. Makarchuk: Yeah, I'll bet.

Mr. Warner: I'll bet.

Mr. Peterson: I happen to have a far greater understanding of this particular issue than he has.

It's interesting that the Minister of Industry and Tourism comes here tonight to do his correspondence. One would think the minister would have more important things to do than to come here and waste everybody's time by screaming and yelling.

I just want to welcome him back. We've read his speeches with great interest and I must say, had I been an investor in England, there's no way either he or the Treasurer could have prompted me to bring money to this province. There are certainly far more attractive ambassadors—

Interjections.

Mr. Deputy Speaker: Order.

Mr. Peterson: —we could have sent on our behalf.

Mr. Deputy Speaker: Bill 58 is now before the House.

Mr. Peterson: We could have volunteered perhaps to assist the minister, under the circumstances.

Let me speak briefly on the subject. I'm somewhat frustrated, as I said—

Hon. Mr. Grossman: We know; we know.

Mr. Peterson: —sitting here, debating, in some respects, fairly important measures of public policy, as we always do in taxation matters.

It's an interesting point of view that in this Legislature, taxing matters are always considered matters of confidence, but frequently other bills of equally grievous import are not considered matters of con-

fidence, yet we have such a dismal attendance here in the House tonight.

I point out only that if the government took this matter seriously they certainly would not have sent the ministers who are here in the House tonight, because they are the least significant members of the cabinet.

Hon. Mr. Grossman: Obviously, on your side, too.

Mr. Peterson: I say, in all humility, we do have the most significant members of our caucus here tonight. The member for Erie (Mr. Haggerty) would agree with me, and all my other friends.

Hon. Mr. Grossman: And your leader's absent. We understand what you mean.

Mr. Peterson: I want to make a couple of remarks. There are several things that have been pointed out by members of my caucus. I thought the member for St. Catharines (Mr. Bradley) spoke very eloquently on the matter of cable television.

What the minister is doing—whether he knows it or not—is introducing a regressive, punitive system to people who, in our judgement, are least able to afford it. It doesn't mean anything to the Treasurer, when he is sitting down with his dartboard, looking at new ways to raise taxation revenues—and I want to point out to the Minister of Revenue that he is increasing taxation revenues in this province this year by 14.4 per cent when our expected real growth is 10.9 per cent. What he is committing us to irrevocably is an increased measure of extraction out of the public hide to pay for his excesses of the past.

It is our view that it has been a random, willy-nilly system, saying, "How can we extract the most amount of money with the least amount of pain?" Or, at least, "How can we slide by in these particular circumstances?" There has been no account of progressiveness; there has been no account of who's most able to afford it. It's just been a case of "How can we avoid the greatest amount of political flak?"

You get a little bit of flak here and a little bit of flak there and, unfortunately—or fortunately for the government, unfortunately for us—it doesn't add up to a no-confidence vote or defeat on the budget bill at this time. But I think the minister has taken a chicken-hearted, weaselly way of extracting this money from the public hide; with no sense of commitment, with no sense of purpose, with no sense of dedication.

I think, ultimately, it's going to cause the government ruin. Not now. I can tell the minister this. If there were not a federal

election on right now, we would be sorely prompted—

Hon. Mr. Grossman: In the next 36 years, do you think?

Mr. Peterson: —to vote him down. And I say that very seriously. I'll tell the minister this. A year from now he'll have to be a lot more careful than he is today and a lot more intelligent and a lot more creative—

Hon. Mr. Maeck: It's not us that have to be afraid a year from now, it's you.

Mr. Peterson: —because let him just watch a year from now, and in spite of his \$10 licence plates—

Hon. Mr. Grossman: He says that like he's whistling by the graveyard.

Mr. Peterson: —the most flagrant abuse of the patronage system I've ever seen that he's a party to—

Hon. Mr. Maeck: What's that got to do with this tax?

Mr. Peterson: —he is going to be gone a year from now.

The Minister of Revenue; the tax collector. In most cases they have a tax collector that can count at least and here we have the minister—

Hon. Mr. Maeck: Where have you been all evening, down at the bar?

Hon. Miss Stephenson: Don't talk about patronage. No Liberal anywhere should ever talk about patronage. You are the world's worst exponents of patronage. Don't talk to us.

Mr. Peterson: Mr. Speaker, obviously I've been somewhat successful in that I have—

Mr. Nixon: Certainly turned them on.

Mr. Peterson: —excited the minister.

Mr. Nixon: Even the iron maiden.

Hon. Mr. Maeck: To think he'd run for the leadership.

Hon. Miss Stephenson: That's the most ridiculous thing I've ever heard in my life.

Hon. Mr. Maeck: Stuart Smith beat you. You haven't a clue.

Mr. Peterson: Mr. Speaker, I'm not here to talk about \$10 licence plates tonight. I'm not down here to talk about the fact that the Minister of Revenue has a \$10 licence plate.

Hon. Mr. Maeck: Actually that's not in the bill.

Mr. Peterson: I'm here to talk about the substance of this bill and, unfortunately, have been provoked by some of the members of the opposition.

Hon. Mr. Grossman: They're very concerned.

Mr. Warner: Why don't you talk about something you know, otherwise keep quiet?

Hon. Mr. Maeck: People who live in glass houses shouldn't throw stones, you know.

Mr. Peterson: Please let me just address my mind to this issue. I share the views that were so eloquently expressed by my colleague from St. Catharines with respect to cable television. It does not sound like a great deal, and I understand that and frankly it isn't going to bother the member for Parry Sound who has found a new affluence in his job as a member of the cabinet—something no one expected, least of all him, but he is there now and he is going to have no trouble paying his extra 50 cents a month. But there are a lot of people who are going to have a great deal of trouble paying that extra money every month. And we have to measure things by—

Hon. Mr. Maeck: I don't have to have cable.

Mr. Peterson: —a far different yardstick than the minister has so addressed his mind to. I don't expect his response to carry any weight at all. It's the Treasurer who I hold responsible.

Hon. Mr. Maeck: I'm not going to respond to you at all. You haven't said anything yet.

Mr. Peterson: It is not the Minister of Revenue; he's a little exercised at the moment.

Hon. Mr. Maeck: When you say something intelligent I'll respond to it.

Mr. Peterson: And he's a decent sort of chap for a guy with a \$10 licence plate, but he's a little exercised at the moment, and I would like to address these remarks—

Hon. Mr. Maeck: Jealousy will get you nowhere.

Mr. Peterson: —principally to the Treasurer. But it is our view, and we expressed it at the time, and we will continue to express it, that he has shown no particular sense of the future, no particular sense of the present when he went about to extract this higher degree of increase in revenue—i.e., 14.4 per cent—out of the public hide on a regressive basis, than he did in terms that are registered in real growth in the gross national product. I think it's fundamentally unfair to extract it out of the cable-viewers' hides. Let me remind you, Mr. Minister, that the people to whom that means the most are frequently old people—

Hon. Mr. Maeck: Speak to the Speaker.

Mr. Peterson: —people on fixed incomes, people who don't have the income to get

out to go to movies or go to the kind of places you go. They generally are not members of the Albany Club. Those are the kinds of people that are being punished by this kind of tax.

I regret in many ways that this isn't an election issue, but it is, clearly, and we're not going to cause an election on this. But let me say this very succinctly and very clearly to you, Mr. Speaker: had we been the government we would not have introduced this kind of regressive tax. We're looking for \$5 million here, \$10 million there and \$20 million there on the premise that it all adds up eventually in giving us the extra \$181 million we have to generate in order to pay off the sins of the past and pay for the increasing debt load we've incurred in this province. But it's so unfair. It's unequitable and it really isn't very creative. I deplore the minister for it more than anything.

I remember a phrase used by the former leader of the third party, a man for whom I say I have a great deal of respect, that the minister suffers from a terminal scrawniness of the imagination. It was so true then and it is so true today.

I have just a view or two to express on the tourism aspects of this, Mr. Speaker. It completely befuddles me. I'm glad to have the Minister of Industry and Tourism here today. The government works from both ways on this particular issue. They've lowered a tax and, on the other hand, they've increased the gasoline tax.

It's a generally recognized fact that 80 to 90 per cent of the tourists who come into this province come by road access with the United States. We have an extraordinarily high gas tax in this province, now increased by 10 per cent or so. We have probably the most abysmal system of facilities on public highways through the service centres along highway 401, the Queen Elizabeth Way and various other highways. So, on the one hand we are trying to attract them by dropping our taxes; on the other hand we are driving them away by increasing taxes and by various other forms of insensitivity or lack of service to the people who should or would come here in the circumstances.

[10:00]

My colleagues and I are constantly exposed to this lack of comprehensive planning. Perhaps it is a function of the bureaucracies or the ministries that have been created on that side. Perhaps we are seeing all the ministers vie for attention or vie for favour in the Premier's eye. I am not

sure what goes on in that cabinet room, and I am sure if I did I would despair for it.

Mr. Lawlor: Yes, it is those fellows behind the throne; they are the ones who are responsible.

Mr. Peterson: The member for Lakeshore agrees with me. He is an erudite fellow—as a politician. As a poet, he is just fair.

I see the lack of consistency. I see this lack of a point of view. I see this lack of provincial priorities and I say to you very sincerely, Mr. Speaker, had the Liberals been elected, or if they are elected in the future, you are going to see concerted action. You are going to see a caucus that sees things in concert; that brings a concerted point of view to bear on some of these public issues and we are going to see a strategy directed towards the goals as we see them, prioritized as we see them.

I say with great respect, my colleague from Victoria-Haliburton (Mr. Eakins), who has had a considerable amount to say and who is probably, in my judgement, the leading light in this Legislature on matters of tourism, would have a great deal more clout with the Liberal Party had they formed a government, than the Minister of Industry and Tourism, and would bring to bear a concerted, organized theory of tourism, and how we decrease that massive tourism deficit we face in this province.

On the one hand we are trying to extract a little more revenue and on the other hand we are trying to tax them a little more to scrounge a little more revenue out of them so that we can proceed towards lesser deficits in the future—again, an unorganized and disjointed philosophy of either budgetary control or attitude towards the whole tourism industry.

I guess I have been repetitive, because I have spoken on several of these revenue bills, but it has to be said and probably one of the problems with the government is it has to be said more than once, I guess. We are seeing a lack of priorities and a lack of concerted action by this government that is to those of us in opposition, believe me, most frustrating.

All I can do, Mr. Speaker, is leave you with my frustrations and say had we had the opportunity to govern, if we have in the future, we will have a decidedly different set of priorities. We will focus the might, the authority and the responsibility of government on the solving of some of the specific problems that we face and we see some of these problems.

Hon. Mr. Maeck: Just like the feds do, eh? Just like the Liberals in the federal government. Tell us about it.

Mr. Peterson: Now we are seeing the Minister of Revenue raising his ugly head and making a funny noise and trying to blame the federal government for his responsibility. I don't expect him to respond. He is a eunuch; he is a political eunuch, because his task is to sit there and collect these kinds of taxes the Treasurer has designed for him. He is an administrator and one you, Mr. Speaker, are as entitled to judge as I on his administrative capabilities. It is unfortunate for this province that we don't have a Minister of Revenue who makes more physical input to the collection procedure in this province, who has more influence over, say, where we are going to raise money and where we are not.

I leave you, Mr. Speaker, with a few of those dismal thoughts and say that I am despondent, my colleagues are despondent. Unfortunately there is not enough at this point to bring down the government and to some extent, I regret that.

Mr. Ziemba: Looking forward to the amendment that we intend to place to remove the tax on cable TV, it seems to me that is one of the few enjoyments senior citizens and shut-ins have and it would be really wrong, as members have stated, to tax these people who are not in a position to pay.

In addition to that, cable television provides much by way of community communications. Many volunteer groups get together and put on programs that are of interest to seniors and others. The cable television outfit in my riding, Graham Cable TV, is especially outstanding in this regard, and I think this is as good a time as any to put in a plug for them. I'm of the opinion that the taxes we have forfeited by cancelling succession duties, \$60 million, are where we should be getting money, not from people who are at the bottom of the economic ladder and from people who are living on pensions, for Pete's sake.

I'd like to see the government bring back the succession duty tax. I know this isn't the minister's line of thinking. The wealthy in this province have always received tax breaks at the poorer people's expense. That's where the money should be coming from and not from these people who are least able to pay.

Hon. Mr. Maeck: Mr. Speaker, I can't recall during any of the debates on any of the bills where so many members have par-

ticipated in a debate on tax matters. To go through all of the speeches would take a great deal of time, which I see by the clock we don't have, but I would like to cover some of the points that have been raised by the members.

The member for Erie suggested perhaps that the \$16 million we will lose because of raising the limit to 49 cents for chocolate bars and pop could be better used for a dental program. I would like to say to the member that the \$16 million would make a very small dent in a dental program really. For a number of years now, pressure has come from all sides of this House because of the fact that children were forced to pay tax on chocolate bars, pop and so on. We have now accommodated that situation and, by doing that, we have also simplified tax collections in the small stores. It's going to make it much easier to administer the tax for those people who sell chocolate bars and candy, particularly in corner stores.

Mr. Haggerty: That tax relief hasn't been passed on to the consumer.

Hon. Mr. Maeck: Of course, it's passed on to the consumer. The consumer is not paying the \$16 million.

The member mentioned the removal of retail sales tax for building material. A quick figure from my staff indicates that to do that would cost in the neighbourhood of \$340 million per year from the budget, which is obviously out of the question. If we removed the sales tax on all building material, it would cost about \$340 million a year, which is a great amount of money.

Mr. Peterson: What is your opinion on Joe Clark's opinion on that?

Hon. Mr. Maeck: The other thing is that there is always the fear that the sales tax exemption may not be passed on to the consumer, as was indicated by some of the members when we were talking about the hotel industry. They are afraid that the cable television tax may be passed on to the room rates in hotels. In this case, it could be passed on. There's no way of knowing these things.

The \$700 maximum sales tax exemption for solar heating, I would remind the members, represents a purchase of \$10,000. We're not talking about \$700 in purchases, we're talking about \$700 in tax. Removing that tax and exempting solar heating will allow those who manufacture solar heating equipment to create jobs and so on. There should be an added advantage besides the

fact that we will be getting into an energy-saving area.

Every member I guess has spoken about cable television and every member has suggested the only people who are going to be affected by it are the senior citizens. There are a lot of apartments in this city of Toronto where senior citizens don't live and where people are paying \$600, \$700 and \$800 a month. The rate for cable TV on a monthly average in bulk will be 27 cents per month; in single service about 46 cents per month. So I don't think that's a tax that's going to really hurt anybody. It's a very very small tax and I can't see a senior citizen being forced out of his home or having to disconnect his television for the sake of 46 cents a month—

Mr. Warner: Won't that disappoint you over there?

Mr. Grande: That's one more of many, that's what it is.

Hon. Mr. Maeck: —or if they are in a bulk situation, 27 cents.

I really get upset when everything is pointed at the senior citizens or the poor people. There are other people in this society besides them who have to also pay.

Mr. Grande: Because they can least afford to protect themselves.

Hon. Mr. Maeck: If anyone in this House is saying the senior citizens of this province cannot pay 46 cents a month towards cable TV, then I challenge them to prove that.

Mr. Mackenzie: They can't afford one dime more in taxes, Lorne.

Hon. Mr. Maeck: The member for Hamilton Mountain talked about transient accommodation and about the admission threshold of \$3.51 from \$3, but he refers to theatres all the time. What about the people who just go to movies? There are all kinds of people who go to movies. It is not always theatres. There are many, many places where admission taxes apply to other than theatres. It's not just theatres.

Mr. Charlton: A movie theatre is a theatre, Lorne.

Hon. Mr. Maeck: Sure it's a theatre, but that's not the context in which we usually address theatres. When we talk about theatres we are really referring to places like the Shakespearean festival and others.

Mr. Charlton: I was talking about them all.

Mr. Laughren: For three bucks?

Hon. Mr. Maeck: He also talked about candies and claimed it promotes the sale

of junk food and this sort of thing. I would like to know what he gives out at Halloween for instance to the kids who knock on his door.

An hon. member: Das Kapital.

Hon. Mr. Maeck: I would like to know what he gives out to his kids when it's Easter time. What does he do at Christmas time? So you know, Mr. Speaker, if it's junk food, I wonder how much his children are eating. My staff says "humbug."

Mr. Charlton: That's more junk food.

Hon. Mr. Maeck: He also talked about restaurant equipment, and other members talked about restaurant equipment, and the fact that some items are tax exempt and some are not. However, in most cases what we have tried to do, particularly in restaurant equipment, is simply this: those items that are directly connected with cooking are tax exempt. The other things such as linen, garbage disposal units and things like that, are not tax exempt. That's where the line was drawn. Napkins are not tax exempt.

Dealing with furniture in hotels and equipment in the restaurants and so on, there was much said that we should not allow the exemption for foreign-manufactured goods. I have some sympathy for that but I must tell the members that almost all of the equipment and all of the furniture that is being purchased by hotels and restaurants is made in Canada. So there's really not any reason to go into a regulation like that.

Mr. Charlton: Make sure of it.

Hon. Mr. Maeck: The member must remember also there are business people here in Ontario who sell foreign products and they have to live too. He would have them eliminated completely. There are not that many, not enough to hurt our own industry, and most of the furniture, as I am sure all members are aware—

Mr. Charlton: Let them get a dealership for a Canadian company.

[10:15]

Hon. Mr. Maeck: —is almost all made either here or in Quebec, so I don't see the need for that kind of an amendment.

The member for Cornwall (Mr. Samis) talked about the same thing—about Canadian content and so on. He also mentioned home insulation. The member is not here now, but home insulation is, of course, already exempt from sales tax. That is the only part of home insulation we would be dealing with in this particular bill.

He also talked about cable TV and, again, I point out we are talking about 46 cents per month on the average, or 27 cents, depending on whether it is bulk or private.

The member for Victoria-Haliburton (Mr. Eakins) talked about the tourist package being inadequate, and I agree up to a point. I agree the tourist industry needs as much help as we can give it, but I think we are moving a long way to assist them. Certainly, I would also agree the more notice we can give them about tax changes the better it is for everyone concerned, but the member also knows that tax items, budget items, are of necessity secret until they are announced in the budget. It is very difficult. That is why we have extended it to 1981, to allow these people to know at least in advance for this next period so they can make some plans. I do agree certainly that the more notice we can give the better.

Mr. Grande: Speak about note (f) in the bill, Lorne.

Hon. Mr. Maeck: Yes. The member also mentioned the 10 per cent on meals, and he must remember, of course, the 10 per cent starts at a certain figure. If I remember, I think it is \$6.

Mr. Eakins: Why 10 per cent and not seven?

Hon. Mr. Maeck: Well, I think the 10 per cent on meals is based the same as on drinks. That is something I could look at and consider, but it isn't a matter that was drawn to my attention before. I would be happy to look at it. Again, the tax rate is set by the Treasurer and not by me, but I would be happy to look into it to see if there is something that can be done. Certainly, it wouldn't be for this year now.

The member for Cambridge (Mr. M. Davidson) was willing to bet me money that room rates would go up a dollar per day because of the increase in cable television. If it is going to cost 27 cents a month, I can't see how that can be related to a dollar a day raise in hotel or motel rooms. I reject that completely out of hand.

An hon. member: If you don't think they will take advantage of that you live in a dream world over there.

Mr. Peterson: What other notes do you have?

Hon. Mr. Maeck: Well, I have a few more notes here.

As I indicated a little earlier, there were some of the speakers who were very repetitive and brought the same points out several times.

Mr. Laughren: Don't be nasty.

An hon. member: It is tough to hammer it home.

Mr. Warner: Just trying to help.

Mr. Laughren: Don't mumble. We are here to help you.

Hon. Mr. Maeck: The member for Ottawa East (Mr. Roy) was in for a while; he made his little visit and left again, but I don't recall anything he said worth answering, so I won't bother.

Mr. Warner: He will be back.

Hon. Mr. Maeck: The member for London Centre (Mr. Peterson), popped in at the last minute here; he had been away all night and came in and complained about nobody being in the House. What he said, as far as I am concerned, doesn't require an answer. It is not worth answering, so I won't bother. The member for High Park-Swansea (Mr. Ziemba) just reiterated what had already been said about cable television.

Mr. Speaker, I think that winds up my remarks.

Motion agreed to.

Ordered for committee of the whole House.

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 59, An Act to amend the Corporations Tax Act, 1972.

Hon. Mr. Maeck: Mr. Speaker, this bill is to amend the Corporations Tax Act and includes several important amendments arising out of the 1979 Ontario budget. Three important changes are being made to the corporations taxes which will affect all corporations.

First, the general income tax rate is being raised from 13 per cent to 14 per cent. Although this rate increase applies to all corporations, those engaged in manufacturing or processing, farming, fishing, mining and logging will not be affected by this increase. The rate of the small business deduction is being enriched to maintain the effective income rate on small business profits at 10 per cent.

Second, the rate of capital tax payable by banks is being increased. The new rate will be four fifths of one per cent, which is one third higher than the current rate for loan and trust corporations and is more than double the rate for ordinary corporations.

Mr. Lawlor: It should be increased by 5,000 per cent. Then you could make some money.

Hon. Mr. Maeck: Third, the capital tax relief provisions for small business corpora-

tions are being enriched and a new relief is being introduced for those small to medium-sized corporations which are not profitable—

Mr. Lawlor: It's the most glorious business in the world. When things are bad they make money; when things are good they make money.

Hon. Mr. Maeck: Do you want the floor, Pat?

Mr. Lawlor: I have the floor.

Hon. Mr. Maeck: —with the result that more corporations will be eligible to pay \$50 or \$100 capital tax, rather than the higher capital tax they are now paying.

Some small corporations which are ineligible for the \$100 capital tax because their taxable capital exceeds \$200,000 will benefit from a provision which phases in the difference between the \$100 capital tax and the higher capital tax they would otherwise pay.

Small to medium-sized corporations that are not profitable will become eligible for a new \$100 capital tax instead of the regular rates. To be eligible for this relief these corporations will be asked to make a special calculation which demonstrates the cash flow aspects of their unprofitability.

Other important changes in this bill include measures which clarify how taxable capital is to be calculated. These measures will affect corporations which are members of partnerships, corporations which, having sold capital assets, have not received in full the proceeds from the sale, and those corporations which have loaned or advanced money to related foreign corporations. These measures are designed to treat corporations more fairly.

This bill also includes several important administrative charges which will improve the tax collection methods and appeals procedures. There is a measure which will authorize the collection of corporation tax from foreign entertainment corporations touring in Ontario, and another measure to speed up the appeals procedures by putting a limit on the time in which the ministry must reply to a taxpayers' appeal.

Finally, this bill includes a tax simplification measure which will end the need for a corporation to file forms with both the federal government and the Ministry of Revenue if the corporation wants to have its income tax reassessed after the time allowed for making the reassessment has passed. Ontario will reassess beyond its six-year limit if the corporation has given the federal government permission to reassess beyond its four-year time limit.

Mr. Peterson: Mr. Speaker, is it your interest to carry on debate until 10:30 tonight and then proceed to the next legislative day, which is next Tuesday? I have a number of views on this bill. I would like to talk at the beginning about the capital tax, which is in many respects the most insidious form of tax this government has ever used on small businesses in this province. As you know, it grew up in a sort of static way over a period of years and became a flat regressive corporate tax that one paid regardless of one's earnings, regardless of one's retained earnings, regardless of one's profitability in any given year.

I say for one I am very attracted to the move of the Minister of Revenue to try to bring some fairness into this tax, and try to avoid some of the paperwork thereby involved. I compliment the minister—or perhaps since I was criticizing the Treasurer earlier I should compliment the Treasurer—on those particular parts of this bill. It is a good move, it is a solid move, it is a helpful move.

When we are getting down to the minimal amounts of revenue that are going to be raised by this—the \$100 here or whatever—one has to think very seriously that maybe in the circumstances it is just a nuisance tax anyway, and the minister is going to have to think, over a period of years at least, of abolishing this tax, holus-bolus.

It has eliminated some of the paperwork. That is something everyone in government is concerned about, the government here, the government in Ottawa, those of us in the opposition. We are not interested in overburdening the small business sector, particularly, with unnecessary paperwork. We all know, those of us who have been in small business—I for one have been in a small business, not a particularly successful one compared to some of the other members of the House, but I can say without reservation that this has been a nuisance tax. If you talk to any proprietor, on the basis of equity and fairness he would be far more willing to pay on the basis of success or profitability than he would on a flat capital tax rate.

I am glad to see a movement in that direction. I am not sure we can't move further in that direction. I just give that to the Minister of Revenue, because he is going to be applying his mind in the fairly near future to the whole question of a new budget for next year.

The capital tax generally is an insidious sort of thing. It is levied in some of the most unjust ways I know. Those companies

that do not escape the capital tax provisions of this Bill 59 are still going to pay it on capital at the end of the year. And that takes into account, according to the definitions of this act, the bank overdrafts, the bank indebtedness and all that kind of thing.

That necessarily punishes a business that, for one reason or another, has a particularly large degree of bank indebtedness or debenture indebtedness at the end of the year. There are certain businesses that are cyclical, that necessarily need a higher degree of debt at certain times of the year than at other times of the year and we are punishing that particular kind of company.

It would be fairer, I say to the minister, if there was some average involved. If he thinks that is the proper way to tax—which I am not sure it is, because there are some companies that are extraordinarily highly levered at the end of the year as opposed to other times of the year—it would be fairer to average it; it would be fairer to take it strictly on equity or retained earnings or other kinds of measures that one could use for the payment of capital tax. It penalizes that particular company that is highly in debt at the end of the year for one reason or another.

I say to the Minister of Revenue that I hope he is aware of this; that he will take it back to his colleagues in the ministry and in the Ministry of the Treasury and Economics, and perhaps next year, as he is now, along with his colleagues, trying to pay a little more attention to this "small business sector," or the independently-owned sector of the economy, give a little more thought to that aspect that he has not solved in this bill.

As I say, I am very happy with the moves the minister has made insofar as they go in that particular area, and I compliment

him. He has made it a little more simple. He hasn't solved very many problems. I think a logical extension of what the minister has done is to abolish capital tax eventually.

I notice, Mr. Speaker, that I only have a couple of minutes. Unfortunately, I am going to speak out the clock.

I want to talk about the differential rates. The minister has increased the rate by one per cent this year. He has created a differentiation. Some kinds of corporations pay more tax—service industries and that type; certain kinds of businesses have a differential tax rate.

Now we are into a very difficult kind of problem for the future. There are built into that kind of differential tax rate insidious complications that I am not sure the ministry has thought out in great detail. We are all concerned at this point, and justifiably to some extent, about manufacturing. We are concerned about indigenous research and technology and about creating job value added here in Ontario—legitimately, to a large measure, because the minister I am sure has read the very substantial, worthwhile and substantive document we have presented on our particular industrial strategy for Ontario.

We have never, and I want to point out to the minister, suggested differential tax rates. Because if our essential purpose in an industrial strategy is to create jobs, we have to recognize also—albeit in many respects it is not as important as the manufacturing sector—the service sectors and various other sectors that are involved and are particularly labour-intensive at this point in time.

Mr. Speaker, you have called time.

On motion by Mr. Peterson, the debate was adjourned.

The House adjourned at 10:30 p.m.

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No. 37

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, May 3, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 3, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

ONTARIO HALF BACK PROGRAM

Hon. Mr. Baetz: Mr. Speaker, I am pleased to inform the House that the Ontario Half Back Program which I announced on November 23 last is now successfully launched in two important industries in this province. As members are aware, this incentive program, which proved so successful last year in promoting Canadian authored books and Canadian magazines to the public of Ontario, began on Tuesday, May 1, as a promotion for Canadian recordings and Canadian films.

From May 1 to September 30, the public will have the opportunity to apply non-winning Wintario tickets as discounts on the purchase of recordings by Canadian artists and admissions to Canadian films. Each non-winning ticket will have a value of 50 cents on these purchases. In the case of records, up to four tickets may be used for recordings by Canadian performers costing \$3.95 or more, and in film admissions a sliding discount schedule will allow the public up to a 50 per cent discount on all admission prices.

I am particularly pleased by two features of the program. The first is the fact that due to the tremendous support for the program from all segments of the Canadian film and recording industries, over 250 theatres and more than 600 record stores in all regions of the province are now participating in the program. This will assure that all citizens of the province have access to the Half Back program, which is fundamental to its success.

The other feature in which I take pleasure is the fact this program, which is unique among all lotteries in the world, returns the benefits of Wintario revenues directly to the citizens of this province who wish to use this special incentive.

The program has been and will continue to be extensively promoted across the province through the efforts of the industries involved, through public service announcements and editorials, and on radio, television, newspapers and information material supplied

to the 850 participating theatres and retailers and to Ontario ticket agents across the province. The efforts of my ministry in conjunction with promotion by the industries are directed to informing the citizens of the province about this program and providing them with the opportunity to participate in it.

The size and the potential of the new Half Back program can be judged by two very significant facts. In preparing for the program, my ministry has assembled a list of Canadian recording artists which contains approximately 2,000 names, encompassing all musical forms from jazz to classical. This is the first time such a comprehensive listing of Canadian performers has been compiled.

The other fact is that we know from the film community that Canadian feature films are now being booked for showing in communities in this province which have never before exhibited Canadian films.

I am confident, Mr. Speaker, that the Half Back program, which is the largest public promotion ever undertaken in Canada on behalf of Canadian films and records, will encourage greater awareness and greater appreciation of the talented artists and the achievements of these two important cultural industries.

FORT ERIE LANDFILL SITE

Hon. Mr. Parrott: The media has been giving some coverage to the disposal site at the town of Fort Erie. The amount—

Mr. S. Smith: Could I have a copy, please?

Hon. Mr. Parrott: I think we have given it to the page. Do you want me to stand down, Mr. Speaker, until—

Mr. Roy: Try to get organized, Harry.

Mr. Speaker: The standing order is quite specific and I think it would be preferable.

Mr. T. P. Reid: You can't find the waste dumps and you can't find your own statement.

Mr. Speaker: Statements by the ministry.

Hon. Mr. Parrott: I think it's there now, Mr. Speaker.

Mr. Speaker: The honourable minister may proceed.

Hon. Mr. Parrott: Thank you.

The media has given some coverage to the disposal site at the town of Fort Erie. The account given by the *Globe and Mail* on May 2 suggests comparisons between this landfill site and the one at Love Canal in New York state. To put the situation in the proper context, let me describe what industrial wastes are actually being disposed of at the Fort Erie site.

There are three local companies which use this municipal facility to deposit industrial type waste. The first is Pratt and Lambert, which sends 10 drums a week to the site. These only contain about one gallon each of paint sludge; that is a maximum of 10 gallons of paint sludge per week.

The company also disposes of such solid wastes as paper containers and paint filters. The company has not used caustic materials for the past two years. Before that time, these materials were recycled. Any waste paint solvents today are taken to Buffalo for recycling and disposal.

The second company, Lucidol, disposes of two or three open drums of solid material used for purifying water. This innocuous substance is known by the trade name Celite. It is the same material that is being used for cleaning up the water in backyard swimming pools. The company also disposes of five or six empty drums each month, as well as paper and cardboard wastes.

The only Hooker plant wastes sent to the site are broken and damaged empty drums and floor sweepings, which may contain small amounts of solid phenolformaldehyde moulding compound, used for making plastics such as bakelite.

I want to draw attention to the fact that these wastes are solids, not liquids. Our waybill system, our site monitoring and the comments of the company officials and site operators, confirmed by my staff, indicate no industrial liquid wastes are deposited at the Fort Erie landfill site. The *Globe* article said the site operator had found drums containing caustic liquids which reacted with water and caused a workman's gloves to burn.

Last year, our staff worked out a system with the site operator that if any suspicious liquids or substances were found, the ministry was to be notified immediately. Our concern is as much for the safety of the operator as for the safety of the environment.

According to this system, when one of these suspicious drums arrived at the site the operator notified our Welland office, and we identified the liquid as a bleaching agent that had come from Lucidol. While we felt

the material was not hazardous to the environment, there was some risk to the operator.

The company was notified of the error and has taken steps to avoid a repetition by establishing a system of clearly identifying individual drums for quick recognition by the site operator. The other two companies have also adopted this system.

Mr. Speaker, there are several points which I would like to stress. First, the municipalities have the responsibility for proper management of waste disposal sites, and that's the way it will remain. We feel this responsibility belongs where the landfills are; namely, in the municipalities.

Second, the ministry is responsible for ensuring the municipalities do that job and for ensuring there is no threat to the air, the water or public health through careless management practices.

Third, the waste disposal site at Fort Erie is in no danger of turning into another Love Canal. As the Premier (Mr. Davis) said so clearly in the House the other day, we must address these problems in a clear and responsible way. It concerns me greatly that every site seems to be compared to the Love Canal. This is indeed a gross misrepresentation of the facts.

I want to stress that all of us should take care in our perception of what constitutes hazardous wastes. It is certainly true a precise definition may be elusive, as has been discovered by environmental authorities in both the United Kingdom and in the USA. In fact, in recent meetings with our counterparts in other provinces and with our American friends, this question was central to the discussions.

It has become too easy to equate industrial wastes with hazard and toxicity. While there is no doubt that a relatively small fraction is both hazardous and toxic, the overwhelming amount of industrial waste is neither. It is the hazardous fraction we must carefully recognize and concentrate our efforts on. It is for this reason that our waybill system is tightly enforced and continually being improved so emphasis will be given to the management of any substances that pose a public hazard.

These are the conditions that prevail, Mr. Speaker. Therefore, I certainly hope this matter will be placed in the proper context in the minds of both the public and the honourable members.

NAMES OF PHYSICIANS

Mr. Cassidy: On a point of clarification, Mr. Speaker: I want to rise on this because on

May 1, I got an answer from the Minister of Health (Mr. Timbrell) in response to a question which I put on the Order Paper on April 9 regarding the legality of publishing the names of doctors who are opted in and opted out of OHIP. I had asked this question of the minister on March 27 and again on March 29, and the minister had said it was his understanding that this would be a violation of the Health Insurance Act, and he subsequently said the matter was being checked out.

I received an answer from the minister on Tuesday stating no legal opinion was obtained prior to the minister's remarks stating his opinion.

My question is this, Mr. Speaker, to you: Having twice raised this matter in the House and having had the minister say he would check it out, can the Speaker assure himself the House has not in fact been misled, since the minister has given information to the House without having sought a legal opinion either prior to or subsequent to the matter raised?

I have two other points to raise as well, Mr. Speaker.

Mr. Speaker: That one is clearly something that should be raised in question period. You really haven't clarified anything. The only way you are going to elicit a response or a clarification is by way of a direct question to the minister. That's not the chair's responsibility.

Do you have something else?

Mr. Cassidy: Yes, Mr. Speaker, also on a point of clarification, which I would like to direct to you: Last April 14, a year ago, the same minister said the Ministry of Health had the means to follow the distribution of physicians, not only in numbers per hundreds of thousands, but as between specialties and general practice, and between opted-in and opted-out physicians.

[2:15]

I have asked and was assured by the minister that he would provide some of this information over the course of the last six weeks. It has not been forthcoming. On Monday, April 30, in response to Order Paper question 85 from my colleague, the member for Oshawa (Mr. Breagh), the minister finally responded and said the ministry does not keep physician opting-out records on a community, town or city basis.

Mr. Speaker, I ask you, could you possibly resolve this contradiction between what the minister told us he was doing a year ago and his written answer now which indicates

he was not giving correct information to the Legislature?

Mr. Bradley: That is a question for question period.

Mr. Speaker: No. Clearly that is policy which is the responsibility of the ministry.

Mr. Bradley: Let him use the question period.

Mr. Speaker: It is not up to the chair to elicit responses from ministers. It is your prerogative to ask a question at the proper time and this is not the proper time. If you are dissatisfied, you may file another inquiry of the ministry or you may ask it in the normal course of events during question period.

Mr. McClellan: What if the minister won't answer?

Hon. Mr. Timbrell: Mr. Speaker, I will be glad to respond to questions on this but with respect, the member knows that in his questions or the other members' questions they asked for it on a community basis and we do not keep it on a community basis. A month or so ago, I gave the member some figures on a county or regional basis. I have always acknowledged that, but the member asked for it by community in which people live and we do not keep it that way.

Mr. Speaker: As I pointed out earlier, these are things that may legitimately be raised in question period—which we are getting into now.

ORAL QUESTIONS

DISPOSAL OF HAZARDOUS WASTES

Mr. S. Smith: I would like to ask a question of the Minister of the Environment: Can the minister explain why he feels so confident in giving us these repeated reassurances about sites that have accepted hazardous wastes from time to time? Does he not recognize that on March 27, I had to give him a list of sites which was different from the lists he had given to the resources development committee, and it took him until April 19 to give me the certificates on them? On April 24, I asked him whether Hooker had been sending anything into the Fort Erie dump, and only by reading the Globe and Mail did I get an answer.

Specifically, how can the minister assure us about the Fort Erie site when the waybill system did not exist before 1977? How does he know whether Hooker did or did not dump dangerous chemicals into the Fort Erie site and why has his ministry, at least until this week or so, not been doing regular

studies of the leachate and the ground water in that area so as to monitor what might be coming out of that site?

Hon. Mr. Parrott: On the first part, Mr. Speaker: I think what is perhaps confusing to the leader of the Liberal Party is simply this. When I was asked for a specific list of sites receiving wastes at that moment in time, we gave that list. That, if you will, is a snapshot of what was going on at that precise minute in time. The previous list he refers to is at quite another moment in time and I think the leader knows that. Some of those sites were closed in the interval between the date on which we gave a list of those sites accepting wastes and those on the previous list. A list can have quite a degree of variation—

Mr. S. Smith: You included on the list ones which were closed.

Hon. Mr. Parrott: —depending whether one is asking for a situation at a given moment in time, whether one is asking for an historical list, or whether one is asking for a list that has some permissions given to a site to accept certain wastes.

The member talked about not having the list. I think he was indeed in possession of the certificates on one of the days he raised the issue in the House. He knew full well what happened to those 13 sites and had the certificates of approval for them.

With regard to assurance, the program in the ministry is simply this: We are monitoring a large number of sites. As the leader knows, we have a very extensive program to find other sites, ones we have not monitored yet. I think it makes no sense to dig through all the sites of Ontario looking for these things. The more sensible approach would be to carefully monitor the leachate from those sites and that we are doing. That is the reasonable approach, the logical, the pragmatic approach at this time, and that is what we are doing.

Mr. S. Smith: By way of supplementary, does the minister know that another of the sites which I had to discover for him and his ministerial officials was the old Burlington site? Does he know that has now been turned into a public park? Is he aware that our questioning of town officials indicate that Niagara Chemical and Alchem, another chemical company, were dumping into that site when it existed? Can he tell us whether he has up-to-the minute leachate information and whether they have been continuing to take leachate information, surface water information and test wells on that site over the last several years? And why, when my

assistants call them, will the minister's officials not answer our questions on the Burlington site, another one the minister didn't seem to know about?

Hon. Mr. Parrott: I take a little exception to the leader's suggestion that we don't know about these sites. As I have said before in this House, I don't know all of the locations of all the sites of Ontario but—

Mr. T. P. Reid: That is exactly what we are saying.

Hon. Mr. Parrott: —the members should not infer from that the ministry doesn't know. Indeed, the reason the Leader of the Opposition now knows of some of these sites is because he has called our office, been given that information and then has the nerve to stand in this House and pretend to have found them.

Applause.

Interjections.

Mr. S. Smith: On a point of privilege—and it alarms me that the minister should be so misinformed; it really alarms me.

Does he not know that I got that list of sites from a federal report which was in—

Hon. Mr. Parrott: That we gave you—that we gave you.

Mr. S. Smith: No. No. Which we got from the Ministry of Natural Resources and which the Environment ministry didn't even have a copy of. Does the minister not know that?

Applause.

Hon. Mr. Parrott: Mr. Speaker, in the kindest and gentlest of terms, that is not so.

Mr. Cassidy: Mr. Speaker, since the minister has told us that the waybill system is the one protection there is, and since it is like closing the stable door after the horse has fled, can the minister explain how he can give the House the assurance that the waste disposal site at Fort Erie is in no danger of turning into another Love Canal, when his own assistant deputy minister, Mr. Bidell, said this week, and I quote: "Nobody can say with any certainty that something dangerous wasn't dumped 50 years ago," and suggesting that there may well be this kind of problem, but that we do not yet have the facts?

What does the minister know that his assistant deputy minister does not know in giving us those assurances? And if the minister has no substance for making those assurances, will he stop trying to calm this matter down and start getting on with the identification of all the dangerous sites where

there may be toxic or hazardous wastes across Ontario?

Hon. Mr. Parrott: Let me go over that one more time—one more time. I said some time ago in this House that it was my unconditional belief there would not be a Love Canal in Ontario. I said it was my belief. The insinuation is that I know; I did not go that far, Mr. Speaker. Indeed, to the contrary, I said it was my belief, but because I couldn't be unconditionally positive and make it a statement of knowing, we would do everything we possibly could to locate those sites. Our ministry has set aside \$59,000—I think that is the correct figure—to look into every nook and corner of Ontario this summer to find those sites.

Mr. S. Smith: Ask the Ministry of Natural Resources.

Hon. Mr. Parrott: We have said to the members opposite, if they know—

Mr. Cassidy: That is \$30 apiece for 2,000 sites.

Hon. Mr. Parrott: Well, we know where vast numbers of these sites are now. We are talking about finding the sites we don't know of. We know of literally hundreds and hundreds of sites; we issued certificates of approval for hundreds of sites, so we know of all kinds of sites; we are aware of those. We are certainly not going to go out and look for sites we are already well aware of.

We are searching out those sites we don't know. Indeed, we said to the members of the House, "If you are suspicious of a certain area, we will investigate it for you." Now, I think that that clearly says that we have a very vast knowledge of the sites and, based on an untold number of samples taken and analyses done, we have not found any sites that are of the nature of Love Canal, or even close to it. We have every reason, therefore, to believe, with that vast amount of knowledge in the Ministry of the Environment, it is highly unlikely we will have a Love Canal in Ontario. It was at that point in time I said it is my belief there will be no Love Canal. I stand firm in that belief.

I repeat again, if I had only left it at that point, and did nothing more, I think the member's criticism would be valid. When we go the next step, that is, to search out, as I said, every nook and corner of Ontario to find those sites, then I think I have every right to be firm in my belief and that the people in Ontario have every reason to believe we're doing everything possible to guarantee that that belief is well founded in fact.

Mr. Haggerty: Mr. Speaker, I want to direct a supplementary question to the minis-

ter relating to the Fort Erie dump. Based on the report of 1974 from Environment Canada—and apparently the information was gathered through his ministry—can the minister tell me the definition of a hazardous site? Can he tell me what chemicals we are discussing? This is perhaps before 1974. I would like to know what sampling his ministry has done in this particular waste disposal area, when it commenced studies and monitoring the waste in that area and what is the final analysis of any chemical toxicity.

Hon. Mr. Parrott: When I started my statement, I glanced to see if the member for Erie was in. I didn't see him right at the very beginning. I know he was here when I concluded, so I'm not sure whether he heard that part of my comment.

Mr. Haggerty: Yes, I heard it.

Hon. Mr. Parrott: I can't add then to what I said in my statement.

Mr. S. Smith: Since 1974, you have never sampled it.

Hon. Mr. Parrott: If the member would calm down, I am saying that we have tested lots of areas around that site and downstream in other areas.

Mr. S. Smith: Not the groundwater or the leachate.

Hon. Mr. Parrott: I think the Leader of the Opposition would agree that it's probably impossible for us to test every ditch in Ontario, and that's literally what we're talking about.

Mr. S. Smith: It's a hazardous waste site.

Hon. Mr. Parrott: If he asks for a specific site, if we think a test is necessary—we're doing those testings and we're doing them by the hundreds of thousands a year. One would think almost by his projections of the facts that we weren't doing many tests. Nothing could be further from the truth.

Mr. S. Smith: It was listed as a hazardous site in 1974 and you are not doing any testing.

Ms. Bryden: Supplementary, Mr. Speaker: When the Minister of the Environment gave his statement, he made it quite clear that there are now only solid wastes going into that landfill site, according to his statement. However, in January of this year he supplied me with a list of landfill sites formerly receiving liquid industrial wastes. Fort Erie is listed there as receiving small quantities of liquid and solid resins. It seems to me that this could be a potential Love Canal if it was receiving liquid industrial wastes former-

ly, according to the minister's own list supplied to me in January of this year.

Hon. Mr. Parrott: The point I am trying to make again and again is that the potential exists in a lot of places. That's the point of the analysis program that is going on. We must make these analyses and we must make them in tremendous numbers, and we're doing that. We won't be satisfied when we have tested a site once or twice, we will do it on a continuing basis for many years. That is the very significant problem the ministry has.

Long before this ministry became involved in certificates of approvals for sites, they were opened almost at will. It now means that we have a colossal job on our hands, because no one cared and took the time at a much earlier date to look at these sites. We recognize that as a huge job we must address ourselves to, and there is no doubt that we are doing so. We'll find the sites and we'll test them—both.

[2:30]

We can't turn back the hands of time. There's no question about that. If we could, we certainly would have far fewer sites in this province than we had in the last century, but we can't do that. The obvious thing to do is test those sites on an ongoing basis. It will take a fantastic amount of money; we're prepared to spend it. It will take a lot of personnel; we're prepared to put those people to that use, but it will not be a small problem and it won't be finished overnight.

There's no way you're going to come to a definitive answer a week, a month, a year from now. It just won't happen. It will be an ongoing process for years to come.

HEALTH SERVICE CHARGES

Mr. S. Smith: A question of the Minister of Health: Given the fact he rather unceremoniously has had to change his mind on his previously firm statement concerning the use of credit cards in medicine, can we assume when he says he's against balance billing he, in fact, means what he says and he will stick to his guns in this very important matter?

Hon. Mr. Timbrell: Mr. Speaker, first of all, I have not changed my mind on the question of credit cards.

Mr. Cassidy: You've changed your position. Interjections.

Hon. Mr. Timbrell: What I indicated to the members a couple of days ago—

Interjections.

Mr. Speaker: Order. The minister has the floor.

Hon. Mr. Timbrell: —would be interesting to discuss at this point. The kind of unusual power which is granted to a minister and the Lieutenant Governor in Council under the Health Disciplines Act, should only be used sparingly and when it's appropriate.

What I indicated a couple of days ago was that my opinion in that matter has not changed but the level of utilization does not constitute a threat. Therefore, I don't think it's appropriate at this time to use that unusual power, which has been used infrequently.

All the options remain open if it does become a threat.

Regarding the question of balance billing, what I have said is I think the present system in this province has served the province well and we do not plan to change the basic philosophy of the health insurance plan or to accede to the kind of system which operates in the province of Saskatchewan, for instance.

Mr. S. Smith: By way of supplementary: Do I take it the minister's statement on balance billing is also an expression of his personal opinion, as the matter of credit cards was, or is he seriously going to make it clear to the medical profession in Ontario that balance billing is not what is supposed to be on the agenda for negotiations? For the negotiations, the minister is supposedly talking about guaranteeing access within OHIP rates to all the citizens of Ontario. He is not supposed to be talking about balance billing. Is he going to make that very clear?

Hon. Mr. Timbrell: Mr. Speaker, I think what is clearly on the agenda for this year is to make the new mechanism for the negotiation of fee schedules work properly. Once we have finalized the agreement, we will begin negotiations for 1980, with the chairman of the new committee having the authority to act in the role of fact-finder. That's what's on the agenda.

If the honourable member thinks the medical profession is going to drop the issue, he's sadly mistaken. This has been their policy for years. I fully expect they will raise it from time to time.

What I'm saying in the simplest possible terms—

Mr. Swart: You will give in.

Hon. Mr. Timbrell: —is this government has no intention of changing the basic philosophy of the health insurance plan.

Mr. Cassidy: Mr. Speaker, since balance billing was proposed in a speech by the

outgoing president of the Ontario Medical Association as an example of the philosophy he thought Ontario should have in the area of health care, and since he's stated his philosophy quite explicitly—that is, he believes, on behalf of doctors, there should be private money coming in, and he's said let the people decide the level of health care they want and they can afford—can the minister say whether it is the philosophy of the government to allow a two-class system of medical care? That's the way the doctors' proposals will lead this province unless there's firm action by the government now.

Hon. Mr. Timbrell: Mr. Speaker, there is not now and there will not be a two-class system of medical care in this province.

Mr. Warner: You're not going to do anything about it.

Mr. S. Smith: Mr. Speaker, speaking, as the leader of the third party does, of philosophies, may I ask the minister whether he has received representations from the president of the Canadian Labour Congress, Mr. Dennis McDermott, to say what Mr. McDermott said on television on Monday night; namely, doctors should form a union, bargain hard, and if they don't get what they want, go on strike? If the minister has received such representations, how has he responded? And does he know whether the other half of that perfect union, the NDP, supports Mr. McDermott in this regard?

Applause.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Mr. Speaker, I have not received any communication from Mr. McDermott. I'm not sure whether that holy or unholy alliance is of one mind on this matter.

Mr. McClellan: Tell us about Joe Clark and federal deterrent fees.

Interjections.

Hon. Mr. Timbrell: For that matter, I don't know whether Mr. McDermott agrees with all of the items in the green paper published by that party almost a year ago, a paper which expresses their philosophy of health care and indicates the kind of things they would like to do to this province in terms of the organization of hospitals and the provision of health services. I doubt that he would agree with that, because I don't think many people in this province would agree with that green paper either.

Mr. Warner: Better quality health care to begin with.

Mr. Speaker: A final supplementary; the member for Oshawa.

Mr. Breaugh: Representing the perfect union, might I ask once again for the minister's comments on the description by the OMA that his negotiating process is a sham and a farce? Would that the rest of organized labour had that kind of a contract.

Hon. Mr. Timbrell: As in so many things, the member and his research staff are about two months behind in their reading of the press clippings. That comment was—

Mr. Breaugh: That's a nice answer, but would the minister try to answer the question now?

Hon. Mr. Timbrell: I'll get to it. Keep your cool.

Mr. Breaugh: We're just impatient with the minister, that's all.

Hon. Mr. Timbrell: I don't want to have somebody treating the member for an ulcer or something.

Mr. Breaugh: I will treat the minister free of charge; no balance billing.

Hon. Mr. Timbrell: Yes, I'll bet the member would.

Mr. Speaker: Order.

Hon. Mr. Timbrell: The one occasion on which that comment was made to me was during a clinical day at one of the leading teaching hospitals in Metropolitan Toronto. It was in the context that, during the period when the government of Canada had imposed the AIB controls—

Some hon. members: Wrong.

Hon. Mr. Timbrell: —including a ceiling on the average annual increase in position salaries, that was a sham. I suppose to an extent I probably have to agree, inasmuch as we knew how far we could go on the average annual increase that had been laid down by the government of Canada. What was left to negotiate was the distribution of the increase as between the specialties in order to live within it.

That is the context in which it has been put to me by the president of the OMA. The new negotiating mechanism providing for the chairman to have the authority, on the call on one of the parties, to act in the role of a fact-finder, I think, ensures to all concerned that we are bargaining in good faith and that the results will reflect that.

Mr. Speaker: A new question, the member for Ottawa Centre.

Mr. Cassidy: I want to return to the Minister of Health to ask a new question about doctors opting out on the charges to

patients. I am reminded of that comment of Alan Blakeney that sending Conservatives to Ottawa to defend medicare is like sending Dracula to guard the bloodbank.

Interjections.

Mr. Cassidy: Can the Minister of Health explain precisely what is the difference for Ontario citizens between being double billed for medical services under balance billing and being extra billed for medical services by doctors opting out, when the surcharge in both cases is an average of 42 per cent? If it is against the minister's philosophy of OHIP to allow balance billing, will the minister not admit, as the select committee pointed out last summer, that opting out contributes a direct challenge to the principle of universal access to medicare in Ontario?

Hon. Mr. Timbrell: First of all I want to say, with respect, I don't think the member has any way to support that assertion of the average being 42 per cent. I'm not sure from what the member has extrapolated that but, with respect, I don't think he has any statistical base.

Mr. Swart: What is it?

Hon. Mr. Timbrell: Secondly, Mr. Speaker, the difference is—let's compare a plan the member and his party have been saying is so great. Let's compare Saskatchewan where, since 1962—

Mr. Warner: Why doesn't the minister try answering the question?

Interjections.

Hon. Mr. Timbrell: They don't want to look at Saskatchewan, all of a sudden.

According to the latest figures I've seen, in Saskatchewan today, under the plan they've had since 1962, 30 per cent of the billings are balance bills. As the members understand, in Saskatchewan the physician bills the plan for everything and can balance bill.

Interjections.

Hon. Mr. Timbrell: Oh, yes. He can stream by service and he can stream by patient in Saskatchewan. He's been able to for 17 years.

Mr. McClellan: You're going to have to retract this.

Mr. Warner: Wrong again.

Hon. Mr. Timbrell: The difference is that in Ontario, as the members know, as of the end of March—I won't have the figures for the end of April for two or three weeks yet—18 per cent of the physicians had opted out or had given notice of opting out, the three-month provision.

One of the Order Paper questions the member asked of me was what percentage of the

claims in OHIP in the previous three fiscal years were opted out. I thought it was very interesting that in fiscal year 1975-76 six per cent of the claims were opted out when, if memory serves me correctly, around 12 per cent of the physicians were shown as opted out. In 1976-77, it was six per cent. In 1977-78, five per cent of the claims submitted to OHIP were on an opted-out basis.

One of the points I have repeatedly made with the member is that the act of opting out in and of itself does not threaten the universality of the system. Secondly, it does not mean that all patients are billed at the opted-out rate.

The final point is that one of the things that assists in that regard is the mechanism in our hospitals whereby billing groups do bill the plan directly.

That's the comparison. I would venture the guess—

Mr. Warner: You're not going to answer the question.

Hon. Mr. Timbrell: —and I won't have the figures for three or four months, because claims can be submitted up to six months after the provision of service—I won't have the claims until the end of the fiscal year, but I would venture to say that while at the end of March the books showed 18 per cent of the doctors billing the plan—not of all doctors in Ontario; that point needs to be re-emphasized, too, but of the doctors billing the plan; there are another few thousand more licensed to practise medicine in Ontario who aren't calculated in there. Of the doctors billing the plan, 18 per cent were shown as opted out, but probably the percentage of claims opted out was down around nine or 10 per cent, much lower than that party's Valhalla called Saskatchewan.

Mr. Martel: That's not true. We were there three weeks ago.

Mr. Warner: That's not true. Wrong again. You come in here wrong every day.

Mr. Cassidy: On a supplementary, the minister has misrepresented facts once again. In the first place, I will give him, as I have given the House already—

Mr. Speaker: Order.

Mr. Cassidy: I will give him figures to show—

Mr. Speaker: Order. Order. The honourable minister is taking far too long to answer the question, and the editorializing over here doesn't constitute a question.

Mr. Cassidy: Supplementary, Mr. Speaker: Since most rebilling in Saskatchewan is only about six per cent of the total—

Mr. Bradley: Is that a question?

Mr. Kerrio: Is that a question?

Mr. Cassidy: —and since the surcharge of doctors using the Ontario Medical Association fee schedule averages 42 per cent—and we can produce the figures to show it—

Mr. Swart: We know more about it than the minister.

Mr. Cassidy: —I would like the minister to answer this question: Whether a doctor balance bills or opts out, it doesn't really make any difference for the sick person or for his family, since they have to pay directly out of their pockets a sum equal to 42 per cent more than what OHIP will pay for the service—

Mr. Speaker: Is the question: "Will the minister agree?"

Mr. Cassidy: No, the question is: When will the minister act to stop the injustices that are created by the surcharges coming from opted-out doctors; and when will the minister act to ensure that every citizen in Ontario gets the right to insured medical care at the OHIP rates without having to pay a surcharge?

Hon. Mr. Timbrell: I have run out of copies of the March 29 statement to send the member. He clearly doesn't want to understand that.

Mr. Warner: You've done nothing.

Mr. Samis: Answer the question.

Hon. Mr. Timbrell: The other thing is that I have seen him flip-flop over there. One day he is going to bash everybody into the plan; the next day he's against draconian measures; the day after that he was going to go to Hamilton to tell the world how all the problems were going to be solved; now he is all over the place again.

Mr. Warner: Sit down.

Hon. Mr. Timbrell: With respect, I think the statement I made on March 29 answers the points the honourable member raises. With respect, I think the figures he cites are wrong.

Mr. Swart: But you don't have any of your own.

Hon. Mr. Timbrell: The fact that I have thought his figures were wrong in the past, or even when I have shown him in the past that his figures were wrong, hasn't changed his mind.

Mr. Warner: What are your figures?

Hon. Mr. Timbrell: I think that's probably fruitless to pursue.

With respect, I think what we have in this province is a system which has served

the province well, especially compared to the problems they are having in Saskatchewan right now.

Mr. Martel: Six per cent.

Hon. Mr. Timbrell: No.

Interjections.

[2:45]

HYDRO RATES

Mr. Cassidy: I have a question to the Treasurer arising out of the very substantial increases in hydro rates which were announced earlier this week.

In view of the fact that the increase of just less than 10 per cent announced by Hydro will amount to close to an 18 per cent increase for consumers in 1980 because of the withdrawal of Hydro's anti-inflation rebate, which was coming from the proceeds of export sales, can the minister say if it is government policy that consumers should no longer get this anti-inflation rebate, and how does the government expect consumers to survive inflation when a major contribution is coming from government agencies like Ontario Hydro?

Hon. F. S. Miller: The Minister of Energy (Mr. Auld) is far more qualified to answer this than I, but I can only point out that one can only give a rebate on earnings when earnings are made. If we are able to export power to the States as we did last year for a period of crisis—showing, by the way, that it is rather nice to have some surplus in Ontario—we will be glad to see that Ontario residents participate in that profitability, because after all Ontario Hydro produces power at cost.

Mr. Cassidy: Since the statement by Chairman Robert Taylor of Hydro indicated specifically that Hydro expected a continued high level of profitable export sales, and since it was those export sales which gave Hydro the wherewithal to make the anti-inflation rebate, is it government policy that Hydro should no longer pay the anti-inflation rebate in order to protect consumers, or is it now government policy that whatever it says about inflation it is prepared to soak the consumers of hydro in Ontario to the maximum possible extent?

Hon. F. S. Miller: I just came back from Great Britain, as you know, Mr. Speaker, and I will tell you something: they would dearly love to have power at the cost we have in Ontario; they would dearly love to have the availability.

Mr. J. Reed: The question that was asked—and I will ask it again—was: Does the government have a policy regarding those re-

bates that come from export sales, since the public indication is clearly that those rebates are going to be cut off? The question is, what is he going to do?

Hon. F. S. Miller: If we realize those rebates were a part of the Anti-Inflation Board Program, we realize they were like many other kinds of cost reduction measures or price reduction measures taken in response to the AIB program of the day. Now if power at cost is produced by Ontario Hydro, eventually any profit made by Hydro will reflect itself in a lower rate.

It can reflect itself in a lower rate in one of two ways, as I would read the problem. One can continue to borrow at the current rate and rebate the cash profits in a given period of time, or one can reduce the borrowings abroad and therefore reduce the eventual cost to future producers. So either way, whether it is rebated immediately or whether it is used to reduce borrowings for expansion, profitability from foreign sales can only help Ontario users.

MORTGAGE INTEREST DEDUCTIBILITY

Mr. Peterson: A question to the Treasurer, welcoming him and the other minister back from London, England, with new, expanded horizons: Has the ministry done a calculation on the potential loss of revenue to Ontario from the various mortgage interest deductibility programs suggested by some federal parties?

Hon. F. S. Miller: I am sure that work is done. I cannot produce it by memory, but I know this matter came up many months ago, not just recently. At that time I made some comments about it. It is not easy to be precise in that area, but I know at that time I saw some information based upon some relatively quick calculations of the cost of that program.

Mr. Peterson: Do I assume then from what the minister is saying that he fundamentally disagrees with this kind of approach because of the lost revenue to the province? Or does he have some kind of agreement with these various federal parties to recoup that lost revenue?

Hon. F. S. Miller: I don't think we stated that at the time at all.

Mr. T. P. Reid: The \$300 million or \$400 million.

Hon. F. S. Miller: It's obvious that any major change in federal income tax programs or rules, impact upon Ontario and the other eight provinces that subscribe to the federal provincial agreement. Therefore, if in their wisdom any federal government

makes changes in the way personal taxes are calculated, then the receiving provinces will have to either profit or lose according to those changes. Of course that leaves us with the final decision in balancing our revenue needs. Where do we find those reductions?

Mr. S. Smith: Three hundred million dollars.

Hon. F. S. Miller: I think it's the kind of question every treasurer or minister of finance is faced with to decide what specific changes will help the taxpayer most.

Mr. Peterson: What's your position?

Mr. Laughren: Supplementary, Mr. Speaker: Is it indeed a fact that the federal Conservative plan would cost Ontario \$300 million?

Hon. F. S. Miller: I said I could not remember the figures, therefore I cannot say.

HOSPITAL BED ALLOCATIONS

Mr. Isaacs: Mr. Speaker, I have a question for the Minister of Health. Is the minister aware of the circumstances surrounding the death last Friday of a constituent of mine, a 68-year-old woman who was found dead in her home by police after her doctors had been trying for two days to get her into a hospital bed and no beds were available?

Hon. Mr. Timbrell: Mr. Speaker, I don't know about that particular case. I have some material here on things that were said the other day by the member for Welland-Thorold (Mr. Swart), and my experience, so far, is that when one looks at the complete picture, often it's a little different from the scare headlines or this kind of tactic he is using.

Mr. Breaugh: He's asking you to do an inquiry.

Mr. Samis: Do you have to politicize everything?

Hon. Mr. Timbrell: What I'm going to do, with respect, is give the honourable member's colleague a written answer to questions he asked me the other day and I'll release the answers that have come to me from my staff. If the honourable member sends me the name of the woman, I'll look into the matter. But, with respect, I think that the honourable members opposite are being highly irresponsible in the kind of impression they are trying to leave.

Mr. Cassidy: You're being irresponsible in cutting back the system.

Mr. Isaacs: Supplementary, Mr. Speaker: The case was brought to my attention because of the concern of the woman's doctor and I want to ask the minister whether he agrees

with the view of this doctor that maybe the shortage of beds is getting to the point where it's costing people's lives?

Hon. Mr. Timbrell: Mr. Speaker, there is no shortage of beds in the Hamilton area. That's why I say, with respect, taking into consideration the literally millions of admissions to hospitals each year, the millions of services that are provided each year through OHIP—57 million services paid for last year through OHIP—that the kinds of things the honourable member and members of his party are trying to do for their own political gain are really at the expense of the very fine people we have in the hospital system.

CHRONIC-CARE BEDS

Mr. Hennessy: Mr. Speaker, my question is for the Minister of Health. Recently a meeting was held in Thunder Bay by the ministry staff, the McKellar hospital board, the St. Joseph's hospital board, and the Thunder Bay District Health Council regarding the shortage of chronic beds in the city of Thunder Bay.

Mr. Wildman: Didn't you just hear him? There's no shortage of beds.

Mr. Hennessy: Does the minister have anything to report on this situation?

Mr. Breaugh: Political gain; how crass can you get?

Mr. Hennessy: I'll just repeat it. Does the minister have anything to report on this situation? Please, boys, back in your cage.

Hon. Mr. Timbrell: This is a case where this honourable member has been working with us to try and resolve what is acknowledged to be the need for additional services of various kinds. There was a meeting, I understand, about 10 days or two weeks ago in the area—

Mr. McClellan: Over what? Tell us, over what?

An hon. member: Surplus of beds?

Mr. Hennessy: Quiet, quiet.

Hon. Mr. Timbrell: —following on a meeting which was held in my office about three weeks or four weeks ago. The gentleman on my staff responsible for this matter has been ill the last three or four days. I expect I will have that report by the—

Mr. Peterson: You wouldn't even put him on the research staff.

Mr. Cassidy: Can you get a bed? You won't get one at home.

An hon. member: They'll have a surplus up there.

Hon. Mr. Timbrell: It's going to be interesting to play back to that party some of the things they have been saying over the years in their green paper and elsewhere about health care. They would drive health care in this province right into the ground.

Mr. Makarchuk: There won't be any health care to drive anywhere by the time the minister is finished with it.

Hon. Mr. Timbrell: If the honourable member recalls—and he was at the meeting in my office—it was acknowledged at that meeting by the mayor of Thunder Bay and the others present that in that particular situation—and we do try to deal with every community on an individual basis—

Mr. McClellan: You wouldn't say there's a problem though, would you? There are no problems anywhere.

Hon. Mr. Timbrell: —there was no problem with the planning standard for active-treatment beds and that what is needed is to make accommodation for longer-term care needs, all the while recognizing that 100 beds will open at St. Joseph's Villa in the next couple of months.

I will have an answer for the member, I hope, by early next week by the time my staff person has recovered.

Mr. Breaugh: You can't even answer your own back-benchers now.

Mr. Swart: What was his question?

Mr. Peterson: What was his affliction?

DOMGLAS DISPUTE

Hon. Mr. Elgie: Mr. Speaker, last Friday in my absence, the member for Hamilton East (Mr. Mackenzie) directed a question to the Minister of Health.

Mr. McClellan: Elgie for Health.

Mr. Conway: Elgie for Health.

Hon. Mr. Elgie: Thanks, I don't need friends like you. I have a great deal of respect, admiration and regard for the Minister of Health. Thank you for the offer but I think he's doing a first-class job.

Mr. Martel: What do you say privately?

An hon. member: There are a few millions who think otherwise.

Mr. Cassidy: That's called toeing the party line.

Hon. Mr. Elgie: Anyway, if members opposite will just turn down the volume for a minute, the Minister of Health in turn referred that question to me. Yesterday I spoke with the president of Domglas who informed me that there had indeed been a misunderstanding and that, as of yesterday,

the company is willing to transfer union funds to the insured carrier of the extended health and drug coverage to ensure that workers remain covered during the dispute. I believe this solves the problem brought to my attention.

TORONTO CORE PLAN

Mrs. Campbell: Mr. Speaker, my question is to the Premier. Could the Premier advise this House as to why he and his cabinet, having generally approved the central area plan for the city of Toronto, directed a rehearing of the application of one Stanley Garden, seeking an exemption from the plan for property located on the west side of Avenue Road, north of Bloor Street, an exemption which could destroy the effect of the plan? In answering, would the Premier tell me whether he is aware that the vague wording of the order in council has caused great concern to the local residents? Would he at least agree to consider requesting cabinet to clarify the recommendations made to the OMB regarding the density to be permitted for the site?

Mr. McClellan: The member for St. Andrew-St. Patrick didn't do his homework.

Mr. Breaugh: Maybe he did.

Hon. Mr. Davis: Mr. Speaker, I am not aware of the concern with respect to the wording. If there is some question as to the intent as reflected in the wording, we are always prepared, if there is some doubt, to clarify it. We will take a look at it. That's no problem. But I think it must be clearly understood that the decision of the cabinet in terms of the principle or what cabinet felt was the equitable approach to this will be maintained. If there is some doubt about the wording, I will certainly have a look at it.

[3:00]

Mrs. Campbell: Supplementary: Were the Premier and his cabinet aware that at the time of the application the developer was in arrears in taxes to a sum of over \$300,000, moneys which could be used to advance his purposes at the OMB, while the ratepayers of the area have to face an additional \$18,000 to appear? Since the ratepayers are concerned with the accountability of their member—I am one of them, but the Minister of Industry and Tourism (Mr. Grossman) shares the responsibility for the Annexe—could the Premier advise this House, and through this House the minister's constituents, as to his position with reference to this recommendation?

Hon. Mr. Davis: Mr. Speaker, I am always reluctant to extol the virtues of one of my colleagues—

Mr. S. Smith: In his case I understand the Premier's reluctance.

Hon. Mr. Davis: —but in that in part of the question the member made reference to one of my colleagues, I would only say to the member for St. George that I rarely have met anyone in my political experience who puts the interests of his constituents ahead of almost everything else. In fact, on some issues that has been of some difficulty to the government, if memory serves me correctly. I think the member for St. George probably subconsciously wishes she were held in the same high regard and, as important, affection as the member on this side of the House is held by his constituents.

So, to answer that part of the question, yes, he does. He reflects their interests and discharges his obligations to his constituents extremely well.

Now what was the other part of the question the member was asking?

Mr. Roy: It's not that important; you can sit down.

Hon. Mr. Davis: The member's colleague said the other part of the member's question wasn't important, so I'll sit down.

Mrs. Campbell: I'm afraid my colleague doesn't perhaps—

Hon. Mr. Davis: He said it, I didn't.

Mr. Speaker: Order. The question was really long. Could the Premier capsule the answer briefly?

Hon. Mr. Davis: I didn't know there were tax arrears. I don't know—I'm just going by my own experience—that the question of whether a person has or has not paid his taxes totally has ever been taken into account in terms of an appeal of this nature. I don't recall that having been raised—I don't recall it ever having been raised in any appeal we have had. I may be wrong in this, but I don't think so. It has never been part of the petition documents.

HEALTH SERVICE CHARGES

Mr. M. Davidson: I have a question of the Minister of Health. Is it the minister's intention to sit idly by and allow the injured workers of Ontario to suffer while a dispute regarding fee schedules takes place between the Ontario Medical Association and the Workmen's Compensation Board? If it is not his intention to do so, what does he plan to do to resolve this situation?

Hon. Mr. Timbrell: Any questions about negotiations between the medical association and the WCB about the fees paid for those services should go to the Minister of Labour.

Mr. Speaker: Is the honourable Minister of Labour prepared to respond to that question?

Hon. Mr. Elgie: Would it be proper to ask the member to repeat the question? I'm afraid I didn't hear him.

Mr. M. Davidson: In the case of the Minister of Labour I won't put in the part about sitting idly by.

Some hon. members: Elgie for Health!

Mr. M. Davidson: Is it the minister's intention to allow the injured workers of Ontario to suffer while a dispute regarding fee schedules takes place between the Ontario Medical Association and the Workmen's Compensation Board? If it is not his intention, what does he intend to do to resolve the situation?

Mr. Laughren: Nothing.

Hon. Mr. Elgie: Nothing refers to what the member does on the weekend.

I am glad the member brought this question to my attention. The problem has concerned me particularly since I read in the paper what he did. As he probably knows, the OMA presented a brief to the Workmen's Compensation Board recommending that the full OMA fee schedule be paid by the board on behalf of injured workers.

As you know, Mr. Speaker, it has been this government's view that physicians doing work for injured workers had to put in extra time and fill out extra reports, and do an extra amount of work which warranted some extra compensation. As a result of that at the present time the physicians receive something in the neighbourhood of 10 per cent more than the government OHIP fee schedule. This, of course, was not in line with what the OMA wished, and they presented a brief to the compensation board requesting a change.

This request was not granted, because it was the board's philosophy that the extra funds being paid by the board were sufficient to compensate physicians for the extra work they were doing.

I had a meeting last week with the OMA about this problem and have agreed to carry on discussions with them. But I have concerns about paying the full fee schedule amount.

I have no further answer at this time.

Mr. M. Davidson: Supplementary to the minister: Given that the Ontario Medical Association has indicated that if they do not get 100 per cent of the association's fee schedule they may impose sanctions on the board—including refusal to fill out board

forms, referral of all board patients to the board's rehabilitation hospital, sending the forms cash on delivery, or keeping the forms until the bill is paid—will the minister give us assurance at this time that the doctors in this province will be allowed to take no such action until the dispute with the Workmen's Compensation Board is settled?

Hon. Mr. Elgie: Mr. Speaker, I have no hesitation in assuring the member that discussions I have initiated with the OMA will continue in an attempt to resolve the matter by negotiation. Frankly, I cannot believe that physicians would behave in what I would perceive to be an irresponsible way—

Mr. Germa: You should meet some of them.

Hon. Mr. Elgie: —if what has been referred to in that document was in fact the way they felt. But I know those physicians by and large and I know they would not behave that way. However, I intend to carry on discussions with the OMA about the problem.

MILK PRICES

Hon. Mr. Drea: Mr. Speaker, on Tuesday some questions were asked about increases in the price of milk. In order they were: What was the increase?

The increase granted by the Ontario Milk Marketing Board to the producer—that is the farmer—was two cents a quart.

In addition, there was a two-cents-a-quart increase by the processor, which is the dairy. That follows the traditional practice that whatever the increase per quart given by the Ontario Milk Marketing Board to the producer, an increase will be sought by the processor. The processors feel the increased costs established by the producers and looked at by the milk marketing board are virtually identical to theirs. Therefore, these price increases follow. They never go beyond what is granted to the farmer. The last increase was two cents in October by the Ontario Milk Marketing Board; at that time the dairies took one cent. The time before that the increase by the Ontario Milk Marketing Board, on September 16, 1977, was one cent plus, with some decimals; the dairies and the retailers took one cent.

Before I get into the second part of this question, there was also a question by the member for Sudbury East (Mr. Martel) as to why it went up two cents in Toronto and four cents in Sudbury. It has gone up four cents all across the province.

There were remarks about this increase being made effective by the Ontario Milk

Marketing Board for the producer on May 1. Three members brought to the attention of the House the fact that stores had raised the price the day before. The reason stores raised the price the day before—April 30—is that traditionally pricing in stores is established for the week. Last October, when the increase went through, the stores lost a day. They did not introduce the price increase until October 3, while they could have put it in on October 2. Therefore, they felt this time they were entitled to pick up the lost day.

While I suppose one could justify that on grounds something like daylight saving—one loses an hour and picks it up—it seems to me that puts the consumer at a disadvantage. I have had discussions with the Minister of Agriculture and Food (Mr. W. Newman) since the milk marketing board is under his jurisdiction. We are going to work out a synchronization rather than just a calendar month for the primary increase, so consumers will not have to worry about whether they lost a day last year or gained a day this year. I do not know when the next increase will be but I am assured by the Minister of Agriculture and Food it will be in symmetry.

Mr. Breithaupt: Looking at that synchronization, would the minister consider whether the milk for which the increase has been received as of the first of the month probably is in the system and in the stores two or three days later, so that there might appear to be an overlap of time during which the vendor is receiving a higher price as a result of the award than is being passed on to the farmer, to make sure that there is not a gap in that which might also cause some confusion and unfairness?

Hon. Mr. Drea: Mr. Speaker, it would follow the same inventory control as is in effect at the Liquor Control Board of Ontario and as has been used in the gasoline and fuel oil industry.

Mr. MacDonald: Supplementary, Mr. Speaker: Since there has never been any public inquiry as to the legitimacy of a processors' price increase following an Ontario Milk Marketing Board price increase to the producers, and since the processors have never even been obligated to justify such an increase in accordance with any sort of formula, on what basis does the minister come to the conclusion, or assert, that they are entitled to the same amount of increase as the producers got, when the producers' increase has to be justified in accordance with a formula?

Hon. Mr. Drea: First of all, Mr. Speaker, I did not say that. I said that traditionally this is what happens.

Mr. MacDonald: It isn't what happens; the minister just gave figures to prove it isn't what happens.

Hon. Mr. Drea: Will the member calm himself down?

Mr. Speaker, as you know, in the process of raising the price of milk by the Ontario Milk Marketing Board, there is a time period beforehand when the increase—granted, it is made on the basis of a formula—has to be justified before the board. The dairies or the processors—whatever you want to call them—have every right in that period of time to appeal if they feel those increases are not justified.

While there is not a formal formula in regard to the dairies, I would suggest that the dairies' acceptance of the producers' increased costs, since they are virtually identical to their own, constitutes a justification.

Mr. MacDonald: Nonsense.

Mr. Martel: Are their machines being fed hay?

Mr. MacDonald: Even the Minister of Agriculture and Food won't justify that.

Hon. Mr. Drea: Oh, I think he will. Mr. Speaker, if I may—

Mr. Speaker: Order. Is the honourable minister finished with the question?

Hon. Mr. Drea: If I wouldn't be rudely interrupted, Mr. Speaker, I could finish in one sentence.

Mr. Speaker: Well, just ignore the interjections.

Hon. Mr. Drea: Mr. Speaker, the simple fact of the matter is that the milk producers in this province were entitled by formula to a much higher increase, and they exercised restraint. As a matter of fact, the dairies probably could have justified the need for a higher increase, and they exercised restraint.

Mr. MacDonald: The Minister of Agriculture and Food won't defend what his colleague has just said; he can't.

FIRE INSPECTION

Mr. Roy: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations and it pertains to recommendations by his advisory committee on the Ontario fire code which published proposals in the Ontario Gazette on January 13, 1979. Does the minister agree with the proposal of the advisory committee which would give an absolute right to inspectors to enter into any building which, if there were a refusal would result in either a fine of from \$200 to a maximum of \$2,000 or six months in jail? Does

he agree with the proposal that a warrant or court order would only be necessary if there was a refusal?

Can he, as Minister of Consumer and Commercial Relations, give his undertaking that, before any such power is given which abrogates a basic fundamental right in this province, the approval of the Legislature will be required, rather than just regulation?

Hon. Mr. Drea: First of all, Mr. Speaker, I can answer yes to what the honourable member was asking at the end. I want to make it very clear, even though I put out a statement in the House and we put out releases in December, that the reason that report was going in the Ontario Gazette was so it would receive the most widespread comments by municipalities, fire chiefs and so on. We cautioned everyone that this was not a legislative proposal.

Mr. Roy: We understand that.

Hon. Mr. Drea: All right. Secondly, any change in the fire code—

Mr. Roy: We want to catch you before you get carried away.

Hon. Mr. Drea: Just a moment. Any change in the fire code would require the approval of this Legislature, period.

I draw to your attention, Mr. Speaker, that I counted them up the other day, and there are now 19 ministries involved in aspects of the fire code. I have very profound feelings about that report. I was only the vehicle for commissioning it.

[3:15]

The comments I have I will bring to the attention of my colleague, the Solicitor General (Mr. McMurtry), because, as the member will notice in that report, while there is also a dissenting opinion one of the recommendations of that report is that responsibility for the fire code—which of course would have to include the building code—be completely taken from my ministry and vested in the Ministry of the Solicitor General.

I would say to the honourable member, I think he knows exactly what my feelings are, but in fairness, we published the report of that committee who were laymen, which was not a government report. We published it and asked for the most widespread public comment. That comment is still coming in to me, and I will comment at the appropriate time. As I say to the honourable member, I think he knows my feelings.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen,

the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 30, An Act to amend the York Municipal Hydro-Electric Service Act, 1978.

Bill 41, An Act to amend the Ministry of Industry and Tourism Act, 1972.

Bill 42, An Act to repeal the Sheridan Park Corporation Act.

Bill 53, An Act to amend the Income Tax Act.

Bill 55, An Act to amend the Gasoline Tax Act, 1973.

Bill 56, An Act to amend the Tobacco Tax Act.

Bill Pr2, An Act to revive Portuguese Club of London Incorporated.

POLISH CONSTITUTION DAY

Hon. Mr. Baetz: As Minister of Culture and Recreation, I am pleased to bring to the attention of this House that today being May 3, is celebrated by Polish people the world over and in Poland as a national holiday.

When we think of Polish people today, we tend to immediately think of those few who have become world renowned, such as Copernicus, Paderewski, and more recently, Pope John-Paul II. I would, however, like to pay special tribute to those countless thousands of Polish origin living in our midst, who have contributed so much to make this a better and greater province, and a better and greater Canada.

NATIONAL STEEL CORPORATION

Mr. Martel: Mr. Speaker, on a point of privilege: For some months the Minister of Labour, the Minister of Industry and Tourism and I have been working to try to head off a disastrous event in my home town, the closing of a National Steel mine, called Moose Mountain. That has not succeeded. We are still working on it and I must commend the government for it, yet today, May 3, the Minister of Northern Affairs (Mr. Bernier), put out a statement in which he makes the following claim: "Under the current arrangement, Moose Mountain will continue operating through to this fall."

That is certainly not factual and it is certainly not fair for the minister to put this out when in fact, it hasn't occurred, and isn't occurring. The people who are going to read it in tonight's paper will be led to believe

that operation is surely remaining open until fall.

Mr. Speaker: The honourable the minister to whom you refer will have an opportunity to respond to your alleged point of privilege.

Hon. Mr. Elgie: In the absence of the Minister of Northern Affairs, Mr. Speaker, I wonder if I might comment on the statement. I was unaware that such a statement was being issued. Certainly, it is in line with my statement to the House some five weeks ago, but with an inaccuracy to which the member has quite properly referred.

There was never any suggestion that had any authoritative background to it that the functioning of the mine would carry on until the fall. I suggest it is probably a misinterpretation based upon a document the member and I talked about before. I think it is unfortunate the statement was issued today and I am sure it was issued as part of a misunderstanding because much of it is accurate, as was the statement I made to this House some four or five weeks ago.

The member is quite right. We are continuing with our endeavours through the experimental process to see if we can in any way keep all or part of that mine functioning. There are some problems at the moment. We are endeavouring to see if we can help sort them out.

I hope that clarifies the matter for the member.

HEALTH SERVICE CHARGES

Mr. Cassidy: On a point of privilege, Mr. Speaker, I don't want to try your patience on this, but the Minister of Health stated I was wrong when I stated the OMA rates of opted out doctors are 42 per cent higher on average than the rates paid by OHIP.

A speech of mine which was widely circulated gave a number of figures; I will just read three or four into the record. If the minister wishes to refute them, that's fine.

A standard office visit, for which OHIP pays \$7.70—

Mr. Speaker: Order. Will you please take your seat?

The leader of the New Democratic Party has expressed his displeasure about answers the same minister had given earlier and as a result of inquiries of the ministry. Rather than taking up the time of the House to clarify them I think a late show would be appropriate. I'm sure the member knows how to avail himself of that opportunity.

Mr. Cassidy: Mr. Speaker, I won't read these figures into the record, but on the point of privilege, when a minister—

Mr. Speaker: Which one of the member's privileges have been abrogated?

Mr. Cassidy: Mr. Speaker, the minister has misrepresented things I've said and has accused me of making wrong statements.

Mr. Speaker: There's clearly a difference of opinion between the minister and the honourable member. It's not something that we should take the time of the House to clear up. The member has the opportunity of a late show if he wants to avail himself of it.

PETITION

MINISTRY OFFICES

Mr. McClellan: Mr. Speaker, I beg leave to introduce a petition signed by 1,248 residents of the district of Timiskaming, which reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario.

"We, the undersigned, beg leave to petition the Lieutenant Governor and Legislative Assembly of the province of Ontario as follows:

"That the Minister of Community and Social Services call an immediate halt to the downgrading of the Kirkland Lake Ministry of Community and Social Services office from a district area office to a local office. At the same time, the minister should immediately halt the upgrading of the Timmins office from a local office to an area office.

"The Minister of Community and Social Services should also make a thorough and complete review of the economic significance to Kirkland Lake of the 27 jobs that the community of Kirkland Lake would lose if the Ministry of Community and Social Services district area offices were moved from Kirkland Lake to Timmins."

As I said, Mr. Speaker, it is signed by 1,248 residents of the district of Timiskaming, including all of the councillors of Kirkland Lake.

INTRODUCTION OF BILLS

THEATRES AMENDMENT ACT

Hon. Mr. Drea moved first reading of Bill 72, An Act to amend the Theatres Act.

Motion agreed to.

Hon. Mr. Drea: Mr. Speaker, this bill is housekeeping. It will establish the duration of the licences for theatres, film exchanges and projectionists. Instead of the statutory one year the period will be set by regulation—it will make the process easier.

Also, it redefines "projector," since there is a redundancy in that act.

PREARRANGED FUNERAL SERVICES AMENDMENT ACT

Hon. Mr. Drea moved first reading of Bill 73, An Act to amend the Prearranged Funeral Services Act.

Motion agreed to.

Hon. Mr. Drea: Mr. Speaker, this bill is housekeeping.

It may be of considerable interest to members of the House that there is a contractual form where the validity of the contract is protected by the government for persons who want to save for their funeral. They put their money on deposit with a funeral director.

The housekeeping involves: (1) That only funeral directors licensed under the Funeral Services Act and directly involved in operating a funeral service can accept moneys in this regard; (2) that the money is held in trust, and they all are, and must include the the interest that accumulates; (3) having the discipline for this bill under the new Funeral Services Act, rather than the one that is referred to.

DELILA CONSTRUCTION LIMITED ACT

Mr. Gregory, on behalf of Mr. Jones, moved first reading of Bill Pr11, An Act to revive Delila Construction Limited.

Motion agreed to.

HIGHWAY TRAFFIC AMENDMENT ACT

Mr. Swart moved first reading of Bill 76, An Act to amend the Highway Traffic Act.

Motion agreed to.

Mr. Swart: Mr. Speaker, the purpose of this bill is to require that all school buses in Ontario be equipped with seatbelts. The bill contains an amendment to the Highway Traffic Act stating that any school bus used for the purpose of transporting children to or from school must be equipped with a seatbelt assembly for each passenger seat. The responsibility for ensuring the seatbelts are used by all passengers, as incorporated in the existing Highway Traffic Act, provides that the driver of vehicles is responsible for those under 16 years of age.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Before the orders of the day, I wish to table the answers to questions

97, 98, 106 to 110, 126 and 127 and the interim answers to questions 141 to 153 standing on the Notice Paper.

In addition to that, I wish to table the answers to questions 138 and 154 to 163 standing on the Notice Paper. (See appendix, page 1581.)

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Perhaps I could take advantage of this opportunity, before calling the orders of the day and pursuant to standing order 13, to indicate the business of the House for the remainder of this week and next week.

This afternoon, of course, we have ballot items 9 and 10. This evening, we will resume the budget debate. Tomorrow morning will be the budget debate.

On Monday, May 7, the House will be in committee of supply to continue consideration of the estimates of the Ministry of Northern Affairs.

On Tuesday of next week we will have legislation both afternoon and evening, continuing with second reading of Bill 59; then into committee of the whole with respect to Bills 54, 57, 58 and 59. Following this, we will take into consideration second readings of Bills 47, 48, 50, 51 and 49, to be followed by any committee work which results from that consideration.

On Wednesday, May 9, the resources development, general government and justice committees may meet in the morning.

On Thursday, May 10, in the afternoon, private members' public business will be ballot items 11 and 12. Next Thursday evening, a week from today, we will continue with legislation. I would draw the members' attention to that, a week today in the evening there will be legislation starting with that which is not finished on Tuesday, following which we will, if time permits, carry on with Bills 17, 22 and 34.

On Friday, May 11, it will be the budget debate.

[3:30]

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

ONTARIO HYDRO ACCOUNTABILITY ACT

Mr. J. Reed moved second reading of Bill 61, An Act respecting the Public Accountability of Ontario Hydro.

Mr. Speaker: The honourable member has up to 20 minutes.

Mr. J. Reed: Thank you very much, Mr. Speaker. I would like to reserve about five minutes at the end of this debate to wrap up a little bit.

At the outset, I would like to express my thanks to every member of this House who responded to me by letter when I circulated this bill during the winter recess. The response I received was encouraging and, while it was not unanimous from every quarter, I can say the broad base of response was at least not negative. I'm particularly grateful for that.

I also had the opportunity to circulate this bill outside of the House among some organizations of importance in the province. Through their replies I received a broad base of support.

The truth is there is a recognition, I think since the inception of the Power Corporation Act, that there is a flaw in that act which is fundamental. It's a flaw which is tying the hands of the Ministry of Energy. This act is designed to correct that flaw.

I would like to read into the record initially the explanatory note so everyone may know just what the reason for the bill is: "The purpose of this bill is to provide a means of clarifying the functions and duties of Ontario Hydro related to the production, generation, transmission, distribution, supply, sale, use and development of energy resources in Ontario. The bill requires the Minister of Energy on behalf of the government of Ontario to issue a policy directive setting out the policy framework within which Ontario Hydro is to make operational and management decisions. The Power Corporation Act is amended to clarify that it is a responsibility of the board of Ontario Hydro to ensure that the business of Ontario Hydro is conducted within the limits established by the policy directive issued by the Minister of Energy."

That sounds a little involved, but simply put the intent of this bill is to allow the government, for the first time since the inception of the Power Corporation Act, to be truly accountable to the people of Ontario for the actions of Ontario Hydro.

I think it's generally recognized by all of the House and all parties that the buck has to stop somewhere. The present situation, as most of us recognize, is totally unacceptable. Under the present circumstances, the Minister of Energy is really not accountable to the people of Ontario for Ontario Hydro, to say nothing of the fact the minister may not even be knowledgeable about Ontario Hydro. The only control the government has—and it's a

control they haven't acted on, even though it's the only one they've had—is in the requests by Hydro for orders in council related to 26 areas which are delineated in the Power Corporation Act. The truth is that the government has really undertaken to rubber stamp those requests for orders in council.

As a consequence, we have the chaos that is so evident at the present time. The government has been trying to shore up the situation by coming to the defence of the over-build and stating publicly so many times, "Aren't we glad we have \$4 billion too much investment in Ontario Hydro at the present time?" and so on.

The government is faced with a situation where it really doesn't have much choice but to shore up the situation. The truth is that mistakes have been made simply because, first of all, the government has not acted within its responsibilities as delineated under the Power Corporation Act and, secondly, because it has potentially that other area of active participation which is not now part of the Power Corporation Act.

Mr. Conway: Tell us about Hugh Macaulay.

Mr. J. Reed: Bring back Hugh Macaulay?

The act simply allows the government to be reactive, to react to situations that are already in place and to machinery that is already in motion. It does not allow it to be active. Yet it is interesting to note that way back in 1973 Task Force Hydro, which was the creator or the father of the Power Corporation Act, recommended in its own submission to the government that there be a policy framework within which Hydro should operate.

Mr. Conway: That's not a bad idea.

Mr. J. Reed: It was one of the only recommendations that was not included when the Power Corporation Act was made a reality. It was precisely because it was not that the then leader of the Liberal Party, the member for Brant-Oxford-Norfolk (Mr. Nixon), in expressing his concerns, made some historic statements regarding the control of Ontario Hydro by the political body accountable to the people. It was because of that, of course, that the Liberal Party did not support the Power Corporation Act at that time.

In 1974, the Premier stated one of the first objectives of the new board of directors of Ontario Hydro at that time would be to implement government policy. The truth is that was recognized before the formation of the Power Corporation Act. It was recognized by Task Force Hydro and recognized by the Premier.

More recently, I might add, I had the privilege of presenting thoughts on the ultimate responsibility for our utility to the Royal Commission on Electric Power Planning. There was a great deal of acceptance at that particular think-tank session that the idea responsibility had to stop with an element of government was something which was badly needed. I might also say that I have a letter on file from the Ontario Federation of Agriculture endorsing this bill. There is a definite recognition of the need. I am sure that each member, regardless of his party persuasion, also understands that it is time this act was amended.

Mr. Conway: Even the member for Ottawa West.

Hon. Mr. Baetz: Don't disturb me.

Ms. Gigantes: He has wiped Hydro right out of his mind.

Mr. J. Reed: We have to make the ministry accountable to the people of Ontario. I understand the problem the government faces because it has not even made the ministry a true Ministry of Energy in the sense of ministries, but rather it still continues to exist as a policy secretariat. I expect to a certain extent that ties the hands of the Ministry of Energy as well.

We have had some indication that various Ministers of Energy in the past—and believe me there have been a lot of them since I have been here—have certainly had some frustration in operating the ministry. I can understand that frustration. For goodness sake, if the minister is going to co-ordinate the energy policy for Ontario, then I think a logical question to the minister would be what is the energy policy? The answer would be—

Mr. Conway: Malcolm Rowan.

Mr. J. Reed: —there isn't any. We all know that.

But in fact if we're going to move on to better things, if we're going to develop an energy policy for Ontario, one of the things we have to do is to be able to co-ordinate all of our energy systems. There is a kind of conception that the only energy system we have for Ontario and the only energy system that has a future in Ontario is the electric power system. Anyone who stops and thinks about it for a little while knows that that is just not so.

The reason why the electric power utility is so dominant in Ontario at the present time and why nuclear power is so dominant and, indeed, coming under the kind of scrutiny it's coming under in select committee at the present time, is the fact that there was a choice—

and I believe a wrong choice—to put all of the eggs, the financial eggs, the brains, the talent and so on, into the electrical energy basket; primarily the nuclear energy basket.

The chairman of the Royal Commission on Electric Power Planning has called for the development of energy resources on the broadest possible base. That is exactly the policy of this party. For the last three years we have called consistently for the development of energy resources in Ontario on the broadest possible base. I've said it many times before, and I have to say it one more time: If the same amount of money or half the amount of money that has been spent in research and development in the nuclear industry were devoted to the development of alternative energies the nuclear question today would be simply a matter of academic debate and would not present the great, deep concern that it presents to every member in this House at the present time.

The reason would be simply that nuclear power would be allowed to take its reasonable place in the energy mosaic in the province of Ontario and not risk becoming the sole energy destiny of the province. I don't even want to get into the question of radiation or all of that whole special concern that nuclear power has about it; just the business of putting all of one's eggs in one basket. It's risky; we have said for years that it's risky, and it is now proven that that position is correct. We've got to move in the broadest possible way. The only way we can is if we have a strong Ministry of Energy which can co-ordinate those forces and co-ordinate the talent, the financial investment and all of the components that are needed to give the people of Ontario the energy choices that they are going to need from now on into the future.

To spend all of this time in an almost impotent way watching Ontario Hydro do its will, being accountable to virtually no one, is really not the path that we have to chart towards our energy future in Ontario. I would urge in the most serious way that every member in this House give the deepest consideration to the support of this bill. I realize it may be a little difficult for some members of the NDP because they were so supportive of the Power Corporation Act when it first came in.

Let me say to those members that we should always try to remain flexible enough to recognize when legislation can be improved. From the point of view of the government, I would say, the Premier supports this. The Premier supports this and it's on public record. Task Force Hydro supports

this. It's on public record. The Federation of Agriculture supports this. That's on record. Anyone who sits down and thinks about it for 20 minutes has to support this.

Mr. Speaker, it's with great pride that I rise this afternoon to present this bill, and I hope that when this debate is finished every member in this House will see fit to support this most necessary revision to our energy system.

[3:45]

Ms. Gigantes: Mr. Speaker, I rise to speak to this bill; I will tell you now that I will support this bill.

As the proposer of the bill has told us, Mr. Speaker, everyone has to support this bill because there is no content to it at all. I mean how could one possibly be against it?

The essence of this bill is to say that we shall create the legal method by which the government shall govern in the energy field—the legal method by which the government shall govern what happens with Ontario Hydro, that public institution in this province.

There is absolutely nothing in this bill one could disagree with. Why, even the Premier supports it. It is obviously no threat to the government whatsoever.

I think the proposer fails to understand that this government does have an energy policy. It's a totally inadequate energy policy. It's an out of date energy policy. It's an energy policy that creates nuclear installations as a kind of public works way of providing regional development. That's the kind of energy policy we have from this government. It has nothing to say when it comes to other forms of energy—or practically nothing to say about it.

Mr. Conway: What, pray tell, is Carleton East, if not an experiment in public works?

Mr. T. P. Reid: At least for one member.

Ms. Gigantes: Carleton East is the very heart of this province, I will have the member know. The heartbeat of this province goes on in Carleton East.

My honourable friend has suggested that the Minister of Energy in Ontario has not been, is not now and has never been, in all his various forms accountable to the public of Ontario for Ontario Hydro. But that's for a very good reason. It's that this government prefers to have it that way and writing any kind of legislative accord, any kind of changes to the Ministry of Energy Act or the Power Corporation Act, as they are now before us, is not going to alter that.

This government is going to pursue a policy which, as my honourable friend has suggested, means that the Minister of Energy

is not knowledgeable about Ontario Hydro affairs because that's what the Premier and the cabinet of this government want. They like it that way. And make no mistake about it, this proposal—even if it were adopted, even if it went through all readings—would mean not an iota of difference at all to how this government will behave when it comes to Ontario Hydro—absolutely nothing.

My honourable friend from Halton-Burlington has suggested that the Minister of Energy, in his many forms, has always had his hands tied. By whom, I ask?

Mr. Conway: Reuben had his tongue tied.

Ms. Gigantes: By whom? By the cabinet; by the policy makers in the government of Ontario, that's by whom. I would suggest a stronger description of it. I would say that at least two Ministers of Energy to my knowledge have not only had their hands tied, they have been chopped off at the knees—

Mr. Conway: Names please.

Ms. Gigantes: —when they have tried to institute policy. I will name two. When the member for Ottawa West (Mr. Baetz) was our Minister of Energy, he announced to us in fine phrases how he was going to get every bit of information from Hydro. No information was going to be concealed. Everything would be not only known to him but known to the public.

He didn't last long. And then his colleague suffered an even worse disgrace.

Mr. Conway: Mugged by the mandarins.

Ms. Gigantes: Absolutely mugged by the mandarins.

Mr. Speaker, I am going to suggest to you that this legislation is not going to change at all the way this government deals with Ontario Hydro. It can't do any harm. If it ever gets into place, I suppose, at least then the Liberals would be committed to supporting a government—

Mr. Conway: What is your position?

Ms. Gigantes: —that actually held Ontario Hydro accountable as a public corporation, and I would like to suggest to you that the attitude of the government and the various Ministers of Energy we have seen reminds me very much of a program my brother used to watch when he was young. It was the Yogi Bear cartoon. The way Ministers of Energy operate in Ontario, or have operated in the past and still do, remind me of the duck in that cartoon. I don't know if you recall that duck, Mr. Speaker, but he was dealing very often with

a being a good deal larger and more powerful than himself, and whenever he wanted to make a threat he would say, "Have you ever seen a duck faint? It is a terrible sight."

Mr. T. P. Reid: That's better than your normal voice.

Ms. Gigantes: That was supposed to wring the hearts of those he wished to persuade and get them to change their attitude towards him and what he wanted. Well, that is the way our Ministers of Energy behave.

Mr. T. P. Reid: Now we are getting insight into the NDP caucus.

Ms. Gigantes: Some of them have dared to say they were going to be ducks with a louder voice and they were chopped off at the knees. There is nothing—nothing—in this legal document that is going to change that. The government will go its merry way, but there is nothing one can object to, either, in this bill before us, Mr. Speaker, so I will give it my unenthusiastic support.

Mr. Conway: Marriage has made her so reasonable.

Mr. Ashe: Thank you very much, Mr. Speaker. It is quite amazing how the mover of this bill—

Mr. Warner: Here comes the dull edge of the guillotine.

Mr. Ashe: —has seen fit to misuse and abuse some of the facts and statistics. My honourable colleague from Oriole (Mr. Williams) will be filling in some of the background of the policy of this government—

Mr. Warner: You have to be kidding.

Mr. Ashe: —over the years relative to the subject matter.

Mr. T. P. Reid: We could build a plant at Atikokan before he finishes his speech.

Mr. Ashe: I think you will find the honourable member who moved the bill, of course, has been somewhat lacking in his research documents that provided the material for his comments. Mr. Speaker, the bill is entitled the Ontario Hydro Public Accountability Act. First of all, I must admit at the outset I was somewhat perplexed by the title of the bill, which appears to relate neither to its content, nor in fact to its stated purpose—

Mr. Warner: You would be perplexed by a bag of jelly beans.

Mr. Ashe: —as set out in the explanatory notes the honourable member put on the record today. It accompanies the bill, but I find the two very hard to relate.

Certainly the title suggests Ontario Hydro is not accountable for its activities. Surely, however, nothing could be further from the truth. Ontario Hydro has shown itself time and time again to be highly accountable—

Mr. Conway: Oh, yes. Didn't that select committee in 1973 prove that?

Mr. Ashe: —not only to the government, but also to the Legislature and to the general public for all aspects of its operations.

Mr. Conway: I wish Mr. Cronyn understood that.

Mr. Ashe: We need only look at Ontario Hydro's participation and openness in providing information and testifying in a variety of forums in order to appreciate the extent of its accountability.

Mr. Conway: Yes, they told the truth, didn't they, then?

Mr. Ashe: Mr. Speaker, I would just like you to appreciate just a few, and I am just relating a relatively few examples—

Mr. Conway: Remember when they misled the select committee?

Mr. Ashe: —in response to questions raised in this Legislature on rates and other issues before the OEB, on electric power planning issues before the Porter commission—

Mr. Conway: The Moog building. Canada Square.

Mr. Ashe: —and on virtually all aspects of its operations before the select committee on Ontario Hydro affairs, among other things.

Mr. Conway: Smith and Cronyn. Remember the select committee report? It was highly suspect.

Mr. Ashe: Can we get a cork for this fellow, Mr. Speaker?

Mr. Conway: Well, you want the accountability record.

Mr. Deputy Speaker: Order.

Mr. Ashe: Indeed, I would go further and suggest few agencies of government have been more exhaustively probed, prodded—

Mr. Conway: And well it should be.

Mr. Ashe: —examined, audited and monitored than Ontario Hydro has been, particularly in recent years.

Mr. Conway: Yes, by the opposition. It was an unaccountable tyranny from Adam Beck down.

Mr. Deputy Speaker: Order. The member for Renfrew North doesn't have the floor.

Mr. Conway: Well, it is hard to take that.

Mr. Ashe: It is accountable. To suggest otherwise is, of course, to ignore the reality I have already indicated previously.

Mr. Conway: It was a tyranny from Adam Beck down.

Mr. Ashe: Mr. Speaker, perhaps that is why world over it has renown as being one of the strongest and most reliable utilities that exists. The member doesn't know the facts and misuses and abuses the figures. That is his problem.

Interjections.

Mr. Ashe: He has his head in the sand all the time, anyway, so he might as well stick it back in again.

Mr. Conway: You are just a modern-day version of Adam Beck.

Mr. Ashe: Mr. Speaker, perhaps the member for Halton-Burlington had a different motive, in fact, in introducing this bill.

Mr. Mancini: He is the provincial version of Joe Clark.

Mr. Ashe: Perhaps he is more concerned with the need for interference by the government in the day-to-day affairs of Ontario Hydro than with Ontario Hydro's public accountability. Clearly, this bill indicates a desire to intrude into the day-to-day affairs of Ontario Hydro, not really in fact to make it more accountable.

From the remarks of the honourable member, both during this debate and on previous occasions, and from reading the bill and its explanatory note, other purposes of this bill appear to be—and I say "appear to be"—first, to require the government to issue a statement setting out Ontario's energy policy as well as the respective roles and responsibilities of the government and Ontario Hydro in relation to those policies. Second, to give the government the power to issue policy directives to Ontario Hydro and to require that Ontario Hydro conduct its business in accordance with such policy directives.

I would like to outline a number of the provisions of current legislation governing the Ministry of Energy and Ontario Hydro which address these purposes now. I would also like to refer to several actions which have already been taken by the government or which are under way at present.

First, the Ministry of Energy Act provides that the minister is responsible for, among other things, reviewing energy matters in relation to the energy needs of the province of Ontario; second, advising and assisting the government in its dealings with other governments relative and relating to energy matters; third, making recommendations for effective co-ordination of all energy matters within the

government with a view to ensuring the consistent application of policy in every area of concern regarding energy; and fourth, making recommendations regarding priorities for and the development of research in all aspects of energy of significance to this province.

In discharging these responsibilities the minister makes frequent statements to the Legislature on policy matters. The ministry also makes and communicates energy policies in a number of other ways. For example, the report entitled, Ontario's Energy Future, published by the ministry in 1977, gives indeed a rationale and long-term framework within which policies are developed dealing with energy supply and demand matters.

Specific policy statements which have been communicated to the Legislature or its committees have covered such matters as: crude oil and natural gas supply, demand, transportation and export; energy pricing; energy conservation; development of renewable energy resources, such as solar energy, energy from waste and byproduct power; provincial jurisdiction and responsibility in energy matters. Specifically in relation to electric power, policy statements have been made in such matters as, to name a few: nuclear fuel waste management; export of power; Ontario Hydro construction programs; municipal utility restructuring; guidelines for the credit, collection and cutoff practises of utilities; electrification of remote northern communities; and many others too numerous to list.

This list of policy statements, which is by no means complete, demonstrates that the Minister of Energy is fulfilling his responsibilities under the Ministry of Energy Act. It also demonstrates that all of the energy matters mentioned in Bill 61, and more besides, have been addressed by the government in public statements.

Let me turn to the legislation governing Ontario Hydro, the Power Corporation Act. The Minister of Energy is responsible for the administration of this act, but under its provisions the business and affairs of Ontario Hydro are under the control and direction of the Ontario Hydro board.

While the honourable member who was the author of this bill may not appreciate it, there are very good and compelling reasons why Ontario Hydro's business operations and day-to-day affairs should be kept at arm's length to government or legislative interference. I am sure the member will blush when I mention the operation of a known institution called the Canadian Post Office, but I think the post office is a perfect illustration of what can happen when legislators and bureaucrats be-

come too directly involved in the operations of business corporations.

We do not need that kind of nonsense in the operations of Hydro. Certainly in the case of Hydro the corporate structure has been designed in a way to allow the corporation to adopt the best principles of enlightened commercial enterprise, and this has worked to the best interests of taxpayers and the power consumers in this province.

I might add that it is important for proper business operations for the government to respect the integrity and responsibility of the persons appointed to serve on the Hydro board of directors.

[4:00]

I submit that you cannot ask persons of the quality of those who serve on that board to be mere figureheads. They must be given the power to act within the scope of a broad policy framework such as the government provides, and from that they make wise business decisions.

This authority is not without its specific limitations. First, the members of the Hydro board are appointed by the Lieutenant Governor in Council. Secondly, approval of that Lieutenant Governor in Council—cabinet, of course—is required before the board may exercise a number of its powers; for instance, the acquisition of most real property, borrowing of money, issuing of securities, construction of electrical facilities, export of electricity. These, I believe, are the kinds of limitations referred to in Bill 61, but they are already clearly set out in existing authorities and legislation.

As most members are aware, a memorandum of understanding between the Minister of Energy (Mr. Auld) and the board of directors of Ontario Hydro is now being developed. This memorandum will elaborate on the respective roles and responsibilities of the ministry and Ontario Hydro and will set down both the formal and informal working relationships between the two.

Government policy on energy matters, when it has some bearing on Ontario Hydro responsibilities, is now and always has been communicated to Ontario Hydro. I am not aware of any major deviations by Ontario Hydro from government policy. On the contrary, Hydro has continually demonstrated a willingness to work within the framework of government energy policy. The memorandum of understanding will clarify for honourable members how Ontario Hydro is working effectively and will continue to work effectively within the framework of government energy policy.

Mr. Deputy Speaker: The honourable member's time has expired.

Mr. Ashe: Mr. Speaker, I would suggest that I started at three minutes after, and there was about a moment in between.

Mr. Deputy Speaker: The honourable member's time has expired.

Mr. Ashe: I would challenge that you're correct in that, Mr. Speaker.

Some hon. members: Are you challenging the chair?

Mr. Ashe: Some people can tell the time and some people cannot.

Some hon. members: Throw him out.

Mr. Ashe: In any event, in summarizing, I hope I have covered the points and suggested why the government cannot support this bill.

Mr. T. P. Reid: Mr. Speaker, I find it incumbent upon myself to apologize to you for that last remark by the honourable member. Perhaps he does not understand the rules of the House and the respect we pay the chair; but I take personal exception to that remark, and I think he should apologize to you, Mr. Speaker.

Some hon. members: He should apologize.

Mr. T. P. Reid: However, in speaking to the bill, I sat with some disbelief listening to the honourable member who just spoke and who has indicated—as we have heard time and time before—that Hydro follows the direction of the government. That has never been anybody's perception around here; at least it has never been quite so badly put by anybody.

What my colleague's bill intends to do is to spell out very clearly, in a very legal manner, exactly who is running the shop, as my friend from Grey-Bruce would say. I do not know whom the honourable member thought he was kidding, but surely we are all aware that the appointment of Mr. Macaulay to the top post in Hydro is doing by the back door what my colleague wants to do by the front door; in other words, to have some kind of direct involvement with the province in energy matters as related to Ontario Hydro.

There used to be a great fiction years ago, and in fact when Mr. Gathercole was chairman of Hydro; I recall him coming to a select committee—I don't know; about 10 years ago—

Mr. Breithaupt: I was chairman of the public accounts committee then.

Mr. T. P. Reid: My colleague informs me that he was chairman of the public accounts committee then; I didn't know we had any money those days, 10 years ago, to look after.

But I recall Mr. Gathercole appearing before the committee at that time. Two memories remain with me. One is that Hydro was then really an emanation of the Conservative Party as much as it was providing power at cost in Ontario.

Mr. Gathercole spent most of his time before that committee trying to defend and justify and protect the government. The then minister, whom I will not name at the moment and who supposedly had authority over Hydro, was very upset when he heard exactly what Mr. Gathercole had been saying, because as the minister said he was quite capable of looking after himself.

There's something else I remember from that, and that is simply when Mr. Gathercole was before the committee I made a comment to him that caused him some distress. I compared Hydro to Frankenstein's monster. When Mr. Gathercole asked me: "What do you mean, Hydro is a Frankenstein?" I said: "The Ontario Legislature created you but we can't control you."

That is simply the purpose of the bill put forward by the member for Halton-Burlington.

Energy has fantastic importance in our economy and in our lifestyle today, and will have incredible impact in the next few years because of the shortage of energy supplies of one kind or another. Hydro has fantastic economic impact through the cost of hydro; through the cost of energy to produce that hydro; and simply the sheer magnitude of the borrowing by Ontario Hydro on the capital markets of the world, particularly in the United States and also in Canada. They seem to be looking at the overseas market as well—some \$400 million worth of bonds at a time—and that has to affect seriously, if not the credit rating of the province of Ontario, certainly the ability of the province to borrow funds in those markets, because there's only so many dollars to go around.

Hydro's bond-raising issues should be coordinated, and we've said so many times before, on this side with the overall financial and fiscal policy of the province of Ontario. They are just too large to ignore and to keep at an arm's length relationship when they can have such an adverse impact on the position of the province and its ability to borrow in these markets.

To come back to the principle of the bill, we heard during the hearings of the select committee that Hydro has one method of forecasting and the Ministry of Energy has another method of forecasting. Who has the responsibility, in the province of Ontario for

deciding where we are going with our energy policy?

Is it Ontario Hydro, which really is an operational branch? They build, design and they operate; but is it, and should it be, particularly at this time in the history of the province of Ontario, left solely on its own to be a policy-setting mechanism? Should Ontario Hydro alone be charting the course for energy needs and requirements and the methodology by which we're going to produce that energy in the future? Should that be left solely up to Hydro?

That is the gist of what Mr. Ashe, the member for Durham West, was saying. We say no, that should not be the case. If that is the case, we don't need a Ministry of Energy and all the high-priced civil servants we have there.

I say the government should have a direct and legal and legislative relationship between Ontario Hydro and the Ministry of Energy, and through that ministry to this Legislature. The Ministry of Energy should work in conjunction with Hydro if you like, but the Ministry of Energy should have the responsibility for setting the policies, for setting the parameters of what energy will be produced. The ministry perhaps should decide the price, but certainly the method and whether it will be from nuclear or alternate energy sources such as gas, oil, solar or whatever it be.

We all know we're just marking time before that in fact happens. As I said—and the Premier (Mr. Davis) has been quoted on this—instead of doing it in straightforward, through-the-front-door style through this Legislature, the Premier has used the back-door method. Recognizing the importance of energy in this province and how badly the relationship is now working, recognizing the crucial importance of Hydro, he still chose to do it by the back-door method, by appointing a friend and confidant to the highest position in Hydro.

I am not casting any aspersions on Mr. Macaulay's competence or otherwise, and I don't pretend to suggest he cannot do the job, I merely state that the Premier has recognized *de facto*, but in a very round about way, the fact that the government has to have its finger on what's going on at Hydro—through the Premier it would appear rather than through the Ministry of Energy, which is another strange way to go about things; perhaps he has no faith in his Minister of Energy.

Mr. J. Reed: Believe it.

Mr. T. P. Reid: What's probably closer to the truth is that he's talked with his Minister of Energy and he can't understand what he

is saying any more than we can. The Premier has recognized that while Hydro should be left alone to operate on a day-to-day basis, the ultimate responsibility and accountability for energy policy in the province rests with this Legislature. He recognizes that the decisions are too crucial and too important to be left to Hydro alone. Surely all my colleague's bill does is recognize and give legitimacy and legislative approval to that very fact.

Mr. Warner: Mr. Speaker, before I begin I wish to echo the initial comments of my colleague the member for Rainy River (Mr. T. P. Reid). I, as a member of this assembly, did not appreciate the disrespect shown to the chair by the member for Durham West (Mr. Ashe).

Mr. M. N. Davison: He should come back and apologize.

Mr. Warner: I rise in support of the bill put forth by the member for Halton-Burlington (Mr. J. Reed). I assume all of us this chamber recognize that this member has had a long-standing interest in the affairs of Hydro. He has developed some considerable expertise in the matters and speaks knowledgeably on many occasions. He has brought part of his work to fruition with the bill.

I feel this bill is worthy of support, but I think before the dinner hour the government will rise to block this bill. One of the reasons it will block this bill is because they don't know what to do. Ontario Hydro is out of control as far as the Legislature is concerned and the government knows that. There is not a member occupying a seat in this assembly who doesn't realize that Ontario Hydro is out of control.

The member for Durham West, when he spoke, trotted out many of the details to try and prove we know what's going on with Ontario Hydro with respect to its policies on development and on pricing. But there's only one way we ever got that information and that was through forcing a select committee on Hydro affairs. When he established that select committee—and under very able chairmanship I might say—we were able to get to the root of some of the things we've been trying to find out for quite a few years.

I think we're also aware we've had at least one Minister of Energy who had to resign. He personally felt he had to resign because Ontario Hydro wasn't responsible, it wasn't responsive to the assembly. He couldn't get the facts.

[4:15]

Members over here would rise during question period and put forward important questions to which there were no answers

because the people at Ontario Hydro either wouldn't give him the information or gave him false information or misled the minister. Finally, he realized it was pointless to try to carry on. He was a pawn in the hands of the Ontario Hydro people; so he quit to resume his duties as a private member in the assembly.

I'll say quite frankly that I admired his candour and I admired his honesty.

I think that this afternoon, if the government does as I believe it will do, rise and guillotine this bill, it is making a serious error, a very serious error. In fact I'll use the argument used by the member for Durham West. He tried to tell us in his own way about the problems of Canada Post. Actually he has it backwards. The reason the federal government is having difficulty in sorting out the mail service is because the post office is not a crown corporation. It's more than an arm's length away and it isn't automatically responsible to the Parliament of Canada. If it were a crown corporation, the Parliament of Canada would have a much better way of bringing better service to the people of Canada through the post office.

I'm suggesting that we have gone to the point of establishing what is a pseudo-crown corporation, but the member for Halton-Burlington has put forward some suggestions which will strengthen Ontario Hydro and which will help to bring more sensible answers to the people of Ontario. They want to know why it is that Ontario Hydro is going to raise the rates next year.

Why is it? What's the rationale for their being raised by 14 per cent or more? We don't know and we aren't able to get any straight answers from the Minister of Energy. They sure can't argue that it's the inflation rate, because there is no indication we're going to have an inflation rate in Ontario or Canada of 14 per cent next year. What are the answers?

The Minister of Energy should have those answers and they should be straight answers from Ontario Hydro. He should be able to rise in the assembly and give those straight answers. He's not in a position to do so.

I may be wrong, but I believe the member for Halton-Burlington is providing, in his bill, the opportunity for the Minister of Energy to apprise himself of the facts and relay them to this assembly, and of course to the public of Ontario.

I won't take any more time, Mr. Speaker. I believe other members may wish to participate. I support the bill; I think it's a move in the right direction so that the

people of Ontario can better understand the secret policies of Ontario Hydro, a corporation about which they thought, because of their tax money, they had a right to know what was going on.

Mr. Williams: Mr. Speaker, in rising to participate in the debate on Bill 61, An Act respecting the Public Accountability of Ontario Hydro, I would say at the outset that, in my view, the bill initiated by the member for Halton-Burlington has precious little to do with accountability.

He started out trying to justify this bill by naming alleged supporters of the bill. It's my understanding that the Ontario Municipal Electrical Association, which represents utilities from all regions of this province, has taken sharp exception to this proposed bill. As I understand it, the OMEA feels that the people of Ontario, indeed, have benefitted from Hydro's political independence over the years and that Hydro should be left free from acts and decisions based more on political expediency than on the provision, at cost, of an efficient, safe and reasonable source of electrical energy. They also feel that the bill would make the Hydro board redundant except in the most trivial of decisions.

The member for Rainy River has had the audacity to accuse this government of using individuals as a vehicle for somehow establishing back-door policy for Ontario Hydro.

Mr. T. P. Reid: On a point of order: The member for Oriole is out of order, Mr. Speaker. I didn't accuse anybody or abuse anybody as an individual. I merely stated that the Premier was doing it by the back door rather than the front door. That certainly is not an abuse.

Mr. Warner: Withdraw the remark and then resign.

Mr. Williams: That is exactly what I said; and in my judgement this bill is little more than a back-door attempt to cite Ontario Hydro guilty of inappropriate management policies and this government guilty of providing no clear energy policy with which to safeguard this province's energy interests.

Mr. J. Reed: I will accept the latter.

Mr. Williams: Neither position is consistent with the facts. Let's examine the record for a moment.

It was the Conservative energy policy of the Whitney government in 1906 that created Hydro in the first place. It was the Progressive Conservative energy policy of the Frost government which understood the need for a uniform electrical infrastructure

across a rapidly-growing province and accordingly committed Ontario to a plan of frequency standardization.

I would remind you, Mr. Speaker, it was the Progressive Conservative energy policy of the Robarts government that sensed the need for a transition from traditional sources of energy supply and initiated the landmark Pickering nuclear project, one of the most efficient producers of electricity in our history.

It is the energy policies of the current Progressive Conservative government which have committed Ontario to the values of conservation and security of supply and which have supported vast energy projects, such as Syncrude at crucial moments in its early development, and which now continue to support the exploration efforts of Polar Gas.

In short, the energy policies of successive Conservative governments are not written in little directives; they are in fact part of everyday life in this province and form an integral part of the fabric of Ontario's growth.

While successive Progressive Conservative administrations have shaped the province's energy destiny, all have had the good sense not to interfere with the daily management of the Ontario Hydro corporation by way of a continual stream of daily memos or policy directives, or whatever other label one wishes to use. The simple fact is we have given Hydro the mandate to choose the best managers it could find and build a system based upon the best technical capacities and instincts of free-thinking individuals. Certainly we have provided a policy framework, but the consistent arm's length approach of this government has enabled us to imbue the managers of the system with a vitality and confidence that would have been unthinkable had we adopted the yes-man approach reflected in this bill.

Let's take a brief look at Hydro as it is. Hydro has grown as Ontario has grown, assuring individuals and industries alike that Ontario's energy future is safe and reliable. Most important in this competitive world, Hydro has managed to provide its real owners, the people of Ontario, with electricity at rates which compare very well indeed with those of other jurisdictions.

It is also a fact that while no one could have predicted that OPEC would quadruple the price of oil in the spring of 1974 and while no one was able to predict recent events in Iran, Hydro's management of the system over this volatile period has protected our energy interests. I honestly wonder whether the people of Ontario would have been

better served by the interfering hand of political expediency.

That is not to say that politics and Hydro never mix. One need only look at the work of the select committee on Ontario Hydro to recognize just how accountable Hydro really is.

While we are on the topic of select committees, I should mention that last year's three-party investigation into the Bruce heavy water plants found that allegations of mismanagement were groundless. It concluded there was no need to make recommendations to Hydro on the management of its construction projects because Hydro had demonstrated that it was fully capable of managing them.

Mr. J. Reed: That's more garbage.

Mr. Williams: Others of course have criticized Hydro's load forecasts as if Hydro's crystal ball should have told it about middle east policy developments before they occurred. Others criticized the safety of Hydro's nuclear program as if Three Mile Island were located somewhere in Ontario. If I were to accuse Hydro of anything, I would accuse it of being run by dedicated but imperfect human beings.

Mr. Laughren: An unfair accusation.

Mr. Williams: But accusations from all quarters is not what Hydro needs, not what one of the finest organizations in Ontario deserves. Hydro needs the continued support of Ontario and it is getting it. As my colleague the member for Durham West (Mr. Ashe) has indicated, the Ontario Municipal Electrical Association stands in support of Hydro and is therefore opposed to this bill. I stressed that strongly at the opening of my remarks because the sponsor of the bill suggested that there was support from all quarters for this legislation.

As the member for Durham West further stressed, this government stands to support Hydro in a clear, open and non-interfering fashion. That is why we have chosen to go the route of a memorandum of understanding between the Minister of Energy and the board of directors of Ontario Hydro. This should clarify for all members of the House that Hydro does indeed work within the framework of government policy and will also, I trust, emphasize to the men and women in Ontario Hydro that this government has every confidence in their good judgement, integrity and reliability.

Mr. Speaker, despite its title, the bill before us does not involve the question of accountability. It proposes a new relationship between the Ministry of Energy and Hydro

that, if anything, would not clarify but rather blur the distinction between the two agencies. The Ministry of Energy's responsibility, as under the Ministry of Energy Act, clearly includes energy policy formation, while Hydro's separate responsibilities under the Power Corporation Act contain well-defined constraints to Hydro's autonomy.

While Hydro bashing may be fashionable in some quarters, the plain truth is that Hydro works. It has reliably filled its mandate of delivering safe, ample and relatively low-priced electricity to Ontario consumers for over 70 years. To support Bill 61 would seriously impair an effective working relationship which this government enjoys with Hydro. I must, therefore, on these grounds, oppose the bill before us today.

Mr. Gaunt: Thank you very much, Mr. Speaker. Perhaps there are others who would wish to speak and I won't take the full seven minutes. However, I do want to make a few comments with respect to my friend's bill and to support him in his proposal. I want to indicate that, in terms of Hydro's accountability to this Legislature, Hydro has never really been, in terms of its past record, high on accountability. They have operated, and tended to do more of this in recent years, under a cloak of secrecy, a cloak of secrecy which has evolved and increased over the past number of years.

[4:30]

I recall in the 1960s when Hydro, which was at that time a huge operation, would come before the committee of the Legislature with their graphs, figures, high-priced help—very competent people, don't misunderstand me, very competent indeed—and they would spend an hour or two before the committee. At the adjournment hour the committee would really be no more well informed about Hydro matters than they were before, simply because they did not understand the operation of Hydro; they did not fully comprehend what Hydro was about. A two-hour session of that type was in no way what one might call an accountability session. It was simply an opportunity to meet Hydro personnel and perhaps discuss some matters of local or regional concern, and that was about the extent of it.

That went on until, in 1973, Hydro wanted to build a new office—actually the plans were formulated long before 1973, but the whole matter blew up in 1973—and we had what is referred to as the Moog inquiry, about which I am sure the Acting Speaker, the member for Humber, will have long memories, because he chaired that particular committee. Essentially, matters were raised at that time which indi-

cated that the operation at Hydro was not going as smoothly as we had been led to believe, and certain matters were raised at that time that infringed on the public good; therefore, a select committee was set up to study those matters.

At that time I think it became pretty clear to all of us that Hydro was set apart and was operating unto itself and, while most of the time it was operating in the public interest, there were times when it was not operating in the public interest. So the checks and balances to which my friend from Durham West referred this afternoon simply were not applying then to the fullest extent; they even apply today to a lesser extent than they did then, because Hydro now is a crown corporation and we do not even have the same checks and balances over its operation that we did at that particular time.

It became obvious to members, certainly to the members on the committee as well as to other other members, and to the public, that when the Legislature attempted to seriously question Hydro as to its operation and what it was doing, Hydro officials tended to resent that interference. There are many examples that could be cited to substantiate that. Hydro felt they had the expertise, they did not want to be interfered with and they did not want some two-bit politicians interfering in their day-to-day operation. That attitude permeated the hearings at that time, in 1973, and I think it has permeated the relationships that Hydro has had with the various Ministers of Energy since that time and, through them, with the Legislature.

Frankly, I thought at the time it was a mistake to set up Hydro as a crown corporation. I felt that it was not the route to follow, and I think history has proved that it was a mistake. My friend from Rainy River mentioned that the only way the Legislature can get control over Hydro, or at least inject some accountability into its operation is to appoint one of the good, faithful, loyal party workers from the Premier's office to head up that corporation. I would say that isn't really a move to inspire confidence in Hydro's operation. I suppose it is better that the Premier have some day-to-day contact and some day-to-day control of Hydro's operations, or at least if not control that he would logically be apprised of what is going on there on a day-to-day operation, I suppose that is better than not having any control.

Mr. Acting Speaker: May I ask the honourable member to terminate his remarks now, as he has had seven and a half minutes, so that his colleague, the member for Halton-

Burlington, may have four and a half minutes?

Mr. Gaunt: All right, Mr. Speaker, I will do so. I just say that I support my colleague's bill. I think it brings some accountability into the system and it is worthy of support on all sides.

Mr. J. Reed: Mr. Speaker, with your permission I would like to defer a couple of minutes to the member for Downsview who would like to speak. Would the Speaker permit that and allow me to wind up in about three minutes?

Mr. Acting Speaker: As long as the member for Huron-Bruce is content. I cut him off while he had 10 minutes to go. If he is content, then the member of Downsview just carries on and you will have three minutes.

Mr. Gaunt: I agree, Mr. Speaker.

Mr. di Santo: I would like to comment briefly on this bill because I really don't understand the paranoia of the members of the Conservative Party. I don't think this is a very strong bill which will remove any power at all from Hydro. What this bill is trying to do is to avoid many of the mistakes that we have been confronted with in the past, which is the very reason we are sitting now on a select committee.

In fact one of the propositions of the bill is for the government to give some public directives to Ontario Hydro. We know now that such a line does not exist now. It doesn't exist perhaps because of the Power Corporation Act. As a matter of fact, when the deputy minister came to testify before the select committee after Christmas, he said, the ministry cannot do anything because the Power Corporation Act gives the power to Ontario Hydro.

Strange as it would seem, as far as the forecast goes, the Minister of Energy has been forced to set up his own forecasting body within the ministry. Even more strangely, the ministry came up with a forecast much lower than that of Ontario Hydro. Despite that, the minister is unable to give directives to Ontario Hydro. So I do think there is a need for some accountability from Ontario Hydro and for that reason I support this bill.

Mr. J. Reed: Mr. Speaker, I will be very brief. First of all, I can't let the moment pass without responding to the member for Oriole (Mr. Williams) who was talking about the great Conservative governments of the past. I want to point out to him that when the Tory government of the day led the transition to 60 cycle, it was the last jurisdiction in North America to change to 60 cycle. I also want to point out that when he talked about

the great Tory government that introduced electric power into Ontario in 1906, it was 26 years after electric power had become a reality in the province of Ontario. Once again it brought up the tail end.

I would like to thank all the members who spoke in favour of this bill. I just wanted to say that the Tory government members to the embarrassment of the Premier—it has got to be embarrassing and he won't have the courage to come in here tonight—are going to stand up and block this bill. I want to put that on the record so that the public of Ontario will know, as of this bill, exactly where the official opposition stands with regard to Ontario Hydro in the next election.

FUNERAL SERVICES AMENDMENT ACT

Mr. Foulds moved second reading of Bill 60, An Act to amend the Funeral Services Act, 1976.

Mr. Foulds: Mr. Speaker, I would like to reserve whatever time I have left for a windup at the end.

First of all, I want to thank legislative counsel David Phillips for the help he gave me in drafting the bill. He was extremely helpful and useful, as is that office constantly with private members' bills.

The purpose of this bill is to bring some modest reform to the Funeral Services Act in order to provide consumer protection in this much neglected area. There are seven amendments in the bill. Basically, there are five points I am trying to achieve. The number of consumer representatives on the Board of Funeral Services is increased. The responsibility for the bill is moved to the Ministry of Consumer and Commercial Relations from Health. Other than funeral directors may provide removal services, funeral supplies and advice in respect of funeral services. Embalming may only take place by the express consent of the purchaser or if the body of the deceased is to be transported out of Ontario. Finally, the bill makes it mandatory for a funeral director to provide an itemized price list for funeral supplies and services supplied to the purchaser. Those points, and only those, are what the bill hopes to achieve.

Let me emphasize two things the bill does not do. First, it does not impinge in any way on the rights of the florists of the province of Ontario. Let me explain about the florists. Over the past two days I have received countless phone calls from London, Toronto, Thunder Bay, and all over the province, from florists complaining that the bill inhibits their right to sell flowers for a funeral. Let me

stress that it does not do that. It in no way impinges on the right of florists to sell flowers for funeral purposes at any time, at any place; before, after or during the funeral.

Mr. Gaunt: Only if we nationalized all the funeral homes.

Mr. Foulds: Not even then. I want to stress that, because, frankly, I think there has been a province-wide campaign instigated by the funeral directors to frighten the florists of the province so that they have mounted this lobby over the last few days in opposition to the bill.

Secondly—and I have received a few phone calls on this—let me also say that the bill is not designed, and I stress not, in any way to do away with funerals or with traditional funerals, which is alleged in some of the complaints I have received. It does not do that.

Mr. Watson: Having said that, there are exceptions.

Mr. Foulds: There are two other preliminary points I would like to make. Let me stress that my own personal dealings on those two occasions in the last five or six years where I have had to deal with funeral directors in Thunder Bay have been entirely amicable and satisfactory, both in terms of service and what I expected to have to pay.

Let me comment about the matter of procedure at the outset. Last week members on the government benches rose to block a resolution by my colleague the member for Hamilton Centre (Mr. M. N. Davison) with regard to consumer protection on food prices. I plead with government members and with members of all parties not to veto this bill on consumer protection.

Why do I feel the bill is necessary? First of all, the purchase of a funeral service is usually by the next of kin of the deceased. At the time of purchasing the service, which, by and large, is still at the time of the death of a relative or friend, the person who is purchasing that service is under tremendous emotional stress. It is not the best of times to be purchasing goods or a service. At that time one is in a state in which one is most likely to give in to the tendency of impulse buying, to get the matter out of the way. It is also a time when one is likely to spend excessively in order to recognize and satisfy one's sense of grief at the loss of the person who has died. This bill is simply designed to tip the balance so that the consumer has a fair chance at that time. Frankly, the proposed makeup in the board of directors is designed to tip the balance in favour of the consumer.

[4:45]

Many people in our society, and I might add a growing number of people in our society today, want to bury their deceased relatives or friends with dignity and simplicity. Many of those people belong to memorial societies, many do not. This bill is an attempt to provide fairness to the purchaser of a funeral service whether or not he or she belongs to a memorial society.

First of all, let me deal with the move of the responsibility for the legislation to Consumer and Commercial Relations from Health. Basically, the present Funeral Services Act does not deal with public health or safety. It is a regulatory act basically governing the business practices of funeral directors. Both in the case of governing the business actions and behaviour of funeral directors and in the case of consumer protection, which my bill seeks to introduce into the present act, it is time we moved into the 20th century and moved this bill and the original act out from the responsibility of the Ministry of Health, where it remains largely for mythical reasons, to the Ministry of Consumer and Commercial Relations, where it rightfully belongs.

Just as an aside, I might add that the Minister of Health is in enough trouble these days trying to look after the sick and the living without having to worry about the dead as well. Other acts, such as the Public Health Act and the Cemeteries Act, et cetera, can rightfully look after whatever minimal health hazards there are associated with the disposal of bodies at the time of death.

Second, it is my contention that acts set up to regulate the selling and purchasing of services—and I point out that we already have in the present act with regard to the funeral industry—should be balanced in favour of the consumer. Therefore, the balance of the board of funeral directors, while having a substantial representation from the funeral industry so that expertise can be properly obtained, the present bill nevertheless provides that the majority of representatives by one person, a five to four ratio, are lay representatives who can, in turn, rationally and without vested interests, look after the consumer's interests and yet rightfully judge the input that they get from the interested group of funeral directors.

Third, I want to deal with the reason I have made it mandatory for funeral directors to provide an itemized price list. Just the other day I received in my mail, as did every member of this Legislature, several bulletins from the Ministry of Consumer and Commercial Relations. Those bulletins had to do with consumer protection, asking consumers spe-

cifically when they were dealing with getting home renovations or driveway improvement that they get an itemized price list from the contractor ahead of time.

If it's importance in the case of that, I suggest that in the case of a consumer contracting for a service for a funeral, I believe it is even more important for the customer to get an itemized price list. But because the customer at that point in time, when he purchases the service, may not wish to appear either disrespectful to the dead or, to put it bluntly and in the vernacular, he or she may not wish to appear to haggle or to be cheap, or that the person may not know that he or she is entitled to an itemized price list, it is not the occasion for the onus to be on the consumer to ask for an itemized price list. In this time of stress on the consumer it should be the responsibility of the seller to provide such an itemized list. That is why I have made it mandatory for the funeral director to provide an itemized price list to the purchaser.

Fourth, and specifically with regard to embalming, as Mr. E. R. Good, former MPP for Waterloo North, pointed out in the Legislature in his contribution to the debate on the original act which is now in place, and I quote from Hansard, page 5458, December 7, 1976: "There is no law which says a body has to be embalmed if it is going to be buried or cremated within a reasonable length of time before it becomes a health hazard."

For whatever reasons, this is not widely known in Ontario, and most people, when purchasing a package of funeral services, automatically purchase embalming. I believe it should be mandatory for the funeral director, the person supplying the service, to point out to the purchaser before the service is purchased that the specific service of embalming is not mandatory in Ontario and it is not necessary in order to respectfully dispose of a human body. In other words, it is not necessary for burial.

Finally, it has always seemed to me to be ridiculous that funeral directors alone should have a self-established monopoly to provide funeral supplies, as presently happens. For example, is there any logical reason why coffins can only be sold by funeral directors?

Plumbers are not the only ones who sell bathtubs. Bathtubs can be purchased at hardware stores, department stores, and furniture stores. Similarly, parts for automobiles can be purchased at hardware stores, automotive parts stores, by catalogue, or at department stores as well as at automobile dealers and garages.

Therefore, I believe that those other than funeral directors should be able to provide advice about funerals and should be able to provide the supplies and removal services. The bill we have before us today introduces a healthy amount of competition into the funeral industry, and make no mistake about it, it is an industry. I also believe this bill introduces a fair amount of consumer protection for those purchasing a funeral.

Last of all, I want to point out that in my own community of Thunder Bay the memorial society there still has difficulty in getting prices in writing for services or supplies and they do not have as wide a range of supplies as are available in places like Toronto. They are, for example, unable to get an unlined, plain casket. The funeral directors in that community simply will not supply it. They will supply a plain cloth which is more expensive than the unlined by about \$200.

It is time to change the Funeral Services Act from an act that serves to protect the interests of the funeral industry to a bill which starts, in some small measure, to serve the interests of consumers. I urge all members to begin now with this modest attempt at reform in order to provide consumer protection. I ask all members to consider voting for and passing this bill.

Mr. Watson: Mr. Speaker, thank you for the opportunity to participate in this debate. If time permits, I would like to go through several sections of the proposed changes and make comments on them. Perhaps the members opposite won't agree with them all, but maybe they could be appreciated by members of the third party.

I notice that while section 1 makes necessary changes to definitions, it doesn't, under subsection (d), describe what constitutes funeral supplies. I do, however, get the distinct impression that funeral services, as defined, means a little more than the actual practice of embalming. I always thought in the past that funeral services included such things as advice regarding funeral arrangements and provision of removal services. The net result of the definition supplied in section 1 of Bill 60 is simply to discriminate against the licensed funeral directors because while low-cost funerals would not have to be licensed, more expensive ones would be. I really don't understand this particular distinction.

Section 2 in itself is a unique lesson in wording, since it contradicts the definition of a funeral director given in section 1. One of the four licensed directors has to be unlicensed under the present reading and this is

impossible. Regardless, I would like to make some comments on section 2.

First, when the Funeral Services Act was drafted in 1976, two extra lay representatives or non-licensed individuals were added to the board. This was done specifically for the purpose of ensuring that individual and different representatives of the public would sit on each of the licensing, complaints and discipline committees. It was felt at that time the licensing committee should have the added benefit of a new person since there was a rather heavy workload placed upon it.

Second, because there were already two additional representatives added to the board in 1976, the expense to the government of additional representatives seems unwarranted.

Mr. Foulds: How much is it? I was here during that debate and the member wasn't.

Mr. Watson: I have reread most of that debate and some of the same arguments were presented then. I'll be presenting them later on.

I think it warrants mentioning that the funeral services board would have a larger percentage of public representation than any other similar governing body in Ontario if we were to pass this bill and legislate the inclusion on the board of five persons not licensed under the Funeral Services Act.

The determination of the member for Port Arthur to create this unprecedented situation, obviously shared by his colleagues, becomes meaningful only when viewed in relation to the Memorial Society of Canada.

As the former member for Waterloo North, Mr. Good, suggested two years ago, all of the third party's arguments are really those of the memorial society.

During the debate on the Funeral Services Act, which I have reread, the third party quoted from several letters but never once mentioned the registration of a specific complaint against any of the funeral directors. However, the point is that the Board of Funeral Services deals more with technical matters governing the conduct of funeral homes. These matters deal with the training of embalmers, the setting of exams and the marking of papers. Therefore, it just makes more sense to have on the board a fairly large representation of expertise.

Theoretically, too, the Memorial Society of Canada, having disposed of the restrictions placed upon it through the passage of this bill, would have little to gain by a place on the board. As they are neither unbiased members of the public nor funeral directors, I question what justification there would be for their place on the board. You might as well give the Canadian Consumers Associa-

tion representation, as the third party attempted to do in 1976, because they also are an interest group.

And how about the various religious groups? There are a lot of people who have their own religion, which I respect. I'm sure they would like to have representatives on the board so that they could do things exactly the way they wanted to do it.

During that debate, however, it was mentioned that if we were to make an exception for one group we would have to include all the others. I don't think we want to do it in this case.

Mr. Foulds: Why?

Mr. Watson: With regard to section 3 of Bill 60, I would like to say that the intricacies of administering the act, and policing it, places the registrar in close contact with the licensed personnel. A clear and complete knowledge of funeral services, practices and the operation of a funeral service has been of very great value to the registrar. As on all other regulatory boards, the registrar should be a person qualified under that particular act.

Mr. Foulds: He can be under the amendment.

Mr. Watson: He can't be under the amendment.

Mr. Foulds: Yes he can. He only has to get six approvals—

Mr. Watson: Section 4 of the bill, which is really the crux of this whole matter, is an amendment which will allow memorial societies to sell directly to the public cheaper caskets for funeral services.

If my understanding is correct, memorial societies at the present time have three particular grievances. They object to being licensed since they would then have to obtain certain equipment and adhere to certain requirements or regulations which funeral directors must comply with. Second, memorial societies wish to sell to the public a standard casket constructed of materials less expensive than the 3/8 inch pine currently in use at crematoriums and funeral homes. Third, the memorial societies are engaged in the dispute over the fact as to whether or not provision of the funeral supplies and other services to their own membership constitutes holding themselves out to the public as providers of the same.

[5:00]

One of the primary concerns the society mentions is the less expensive caskets and, that consequently low-cost funerals are not available in some areas of the province. How-

ever, this is not the contention of the Board of Funeral Services, which advises me that low-cost as well as more expensive caskets must be displayed on the premises of each funeral home. Of course, the casket which memorial societies prefer to sell would not be displayed since it is not constructed of the three-eighth-inch pine considered best for purposes of cremation.

Also, I think there must be some argument as to whether memorial societies, if licensed, would be required to provide more elaborate services to persons outside their own membership.

I am not too sure I have any strong feelings regarding the types of materials or supplies used in funeral services or, for that matter, how funerals are conducted in terms of cost. However, I would state two things here. First, less expensive funerals are available at present to anyone who asks for them. The problem seems to be that there is a stigma attached to the so-called cheap funerals and that people often feel obligated to spend a lot of money at funeral homes. The freedom of choice, nevertheless, is still there.

Secondly, this section of Bill 60 does not properly protect the consumer, as has been suggested. While memorial societies may very well stick to standard, low-cost funerals, it would be possible for all kinds of other groups or individuals to engage in providing funerals under the guise of selling funeral supplies. The integrity of these people would not be guaranteed.

Commenting on section 5 of the bill, I would mention that it is my understanding that a great proportion of the complaints received by the complaints committee deal with the manner in which a licensed funeral director conducts the funeral services. It is often possible to settle those without going there.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Watson: Mr. Speaker, I would like to sum up by saying that the service now provided by funeral directors in this province is very much respected and dignified. I would like to see the act stay where it is, in the Ministry of Health. I am happy with the present act.

Mr. Blundy: Mr. Speaker, as a licensed funeral director in Ontario, I suppose that—

Mr. Roy: You know what you're talking about.

Mr. Blundy: Yes, I would say I know what I'm talking about; but I also wanted to mention that in case anybody should say I have a conflict of interest. I suppose any conflict of interest I would have would be as great as

that of the many teachers we have in this House when we are discussing matters dealing with education.

I would like to speak against the bill, and I will give members my reasons for doing so.

When the Funeral Services Act, 1976, was passed by this House, many of the problems that had been found in the delivery of funeral services and goods to the people of Ontario were corrected by that bill. I would like to point out that, in the two years since that act was established, there have been 34 complaints to the board. Of those 34, 31 were dealt with almost immediately as a misunderstanding or some difficulty that was not foreseen. The remaining three complaints were dealt with by the complaints committee, and the necessary action was taken in those three cases. I mention that to point out that the existing Funeral Services Act is protecting the consumers of Ontario.

I would like to mention one or two things in regard to each of the clauses of Bill 60. The first clause deals with the composition of the board, and it would change that composition so that there would be four funeral directors and three other appointees, plus a member of a memorial society, I presume. The professional makeup of the board was done with very good intentions, because they are people who know and understand the problems in the funeral service business and can more easily answer any criticism or correct any wrong. I do not believe that any one segment of society must be represented. I believe that all people in Ontario are now being protected.

As for having the registrar as a licensed funeral director, it seems only reasonable that he be a man who understands the act, who understands the practice today and who, therefore, could serve both the board and the funeral directors in a better way.

The matter of the providing of funeral supplies and funeral services by other than a licensed funeral director, I think would create a considerable donnybrook in the community. The funeral director does have everything there, and it would seem only right that is the way it should remain. When a person comes into a funeral establishment in Ontario, there is no question that all types of services and products are explained to the person. The person does have a choice. The average funeral home has anywhere from 20 to 30 caskets on display, ranging in price from the very inexpensive to the very expensive. The choice is in the hands of the purchaser.

I do not believe I could support any of the clauses that are part of Bill 60, but I

would like to make one comment in addition to what I have already said. There have been many references to memorial societies and so forth. I have no brief for or against memorial societies. They are provided with the services they require when they come to a funeral home. The funeral home will do it and, if they don't, they should be reported. However, a funeral home does not charge \$20 or \$25 a year as a membership fee until the time you die, as a memorial society does. It just provides the service that is asked for; so there isn't any problem there.

Another matter I would like to discuss, and one the members ought to consider very seriously, is the prearrangement of funerals, which is a very common practice now. The member for Port Arthur made some reference to this, and I would like to enlarge upon it a bit.

When members of a family come into a funeral home at the time of a death, they are naturally confused and agitated; they are not themselves. I advise people that it would be wise to make prearrangements. This is becoming a more common practice. A person comes to a funeral home, chooses the type of funeral he wants, pays for it in advance and signs a contract. The money, by law, is deposited in a bank, trust company or the Funeral Society of Ontario. There is now \$25 million to \$30 million in those funds invested at nine per cent and even 10 per cent. As this money is kept in investment, there is more money made which will look after the inflation in the funeral costs which may have occurred when the time comes. If there is not an inflated cost, of course the money is returned to the person who made the contract. It is a foolproof system whereby people can come in and make arrangements for the future without jeopardizing their choice, or their money, in dealing with a funeral director.

I would just like to make one or two more comments about Bill 60. Section seven says a funeral director shall not embalm any dead human body unless he has been specifically instructed to do so by the purchaser of funeral services or unless the body is to be transported out of Ontario.

No funeral director in his right mind, or who had any desire to serve the public who come to him, would do anything without having cleared it with the family. When the funeral director gets an initial call, he always says: "Would you like us to bring the body to the funeral home and embalm it?" Thus they get an answer of either yes

or no. So I think it is quite redundant to have that item in the bill.

The last item is that the administration of the act is placed under the Ministry of Consumer and Commercial Relations. It is now under the Ministry of Health. That's where it rightly belongs. Before any funeral director is licensed for his premises, he must have a preparation room and other areas of the funeral home that will conform with the act. Before his licence will be signed by the local board of health it must be inspected by an inspector of the local board of health.

Mr. Foulds: Do restaurants come under the jurisdiction of the Ministry of Health?

Mr. Blundy: I am not speaking about restaurants right now, I'm speaking about funeral homes. I'd be glad to talk with the honourable member about restaurants later.

Dealing with a dead human body is not something everybody is prepared to do or is capable of doing. If the body is not properly looked after it could become a health hazard. I realize that for a simple funeral, where there is no visiting and where burial is to take place relatively soon after death, it is not necessary. It only is necessary if it's conveyed by a public conveyance in Ontario or it is transported out of the province. However, I don't believe handling a human body is something we could leave in the hands of completely untrained people. The training provided to those who work in a funeral home and who are licensed to operate a funeral home is under jurisdiction of the Ministry of Health. Many of the subjects taken are health subjects, such as pathology, anatomy and physiology.

Mr. Deputy Speaker: The honourable member's time has expired.

Mr. Blundy: Thank you very much, Mr. Speaker. I'm sure that I have convinced every member of this House the legislation we now have is sufficient to the needs of the people of Ontario. I would suggest we do not vote for Bill 60.

Mr. Breaugh: Mr. Speaker, I rise to speak in support of the principle of this bill.

Mr. Eakins: Just the principle?

Mr. Breaugh: I am the first to admit I do have some reservations about some of the mechanics of this bill. I feel that in the committee stage and clause-by-clause debate some alterations could be made to some of the mechanical features of the bill. I am not quite convinced the exact numbers have been

struck correctly or that there aren't problems which couldn't be pointed out and corrected at that stage, but I am firmly in support of the principle expressed in this bill.

I was a little confused when I got a telegram from a local florist telling me he was upset with this bill. I do not read anything in the bill that has anything to do with florists and I couldn't make the connection. I don't believe there is a connection, quite frankly.

I think, too, there are a number of legitimate concerns that were raised with me by people in the funeral industry that have to be met and that have to be discussed and confronted quite frankly. I am satisfied that can be done during the debate on clause by clause.

To get to the supportable part, which is the principle of this particular bill, I think without question you have to support the principle that people have a right to have a choice in making funeral arrangements. That's often difficult to do depending upon exactly where you live and exactly what funeral directors are at work in that area. In some places alternatives are available and the choice can be made by the family; in other areas it is not quite as convenient or as possible or as probable as it ought to be. So that part, I think, is certainly a supportable one to provide for the alternative, whether that's what's commonly known now as a memorial society or some other version of making funeral arrangements.

I think we are all aware in this House or should be that a number of people have brought to public light the high cost of dying. I think some alternatives must be found. Whatever the alternatives might be and whatever formulas might be worked out and mechanisms put in place, people in Ontario have a right to seek such alternative forms of providing funeral services.

[5:15]

I think we share their concerns that they be provided properly. That kind of mechanism is laid out in this bill. We will have the members of this House address themselves to and take evidence from both sides and then make some final decisions on it. There are some parts of the bill which I suppose are not of great concern to the public at large, but I think undeniably the supportable part has to be the part which says for people in a situation where there has been a death in the family, although sometimes there is no family to make this kind of a decision at least where there is, alternatives are present and those involved clearly understand

the financial obligations they are getting into. They must understand choices are available to them and that it need not be the costly experience some people find themselves caught up in.

I think we are well aware, as members of this House, that there have been some incidents where people in a rather tragic situation have been borderline exploited or outright exploited. In other words, someone has sold them something they frankly could not afford and that was not necessary. I must say I cannot recall an instance in my own constituency where someone has presented to me that kind of a problem, but I am aware that in other constituencies around the province such cases have been brought to light.

I think whether or not it has happened in your own riding, the pertinent point is it shouldn't happen anywhere. There really is not a need for that to happen. The law ought to provide for a clear explanation of the financial obligations people are getting into and of the legal requirements under the laws of Ontario. That should be explained to people in that situation in a language and terminology which they clearly understand.

The second part, or the second major principle that's incorporated in this bill which I find highly supportable, is the notion that ordinary people, lay people if you like, play a role in making key decisions in the application of this act. Whether the balance is correct I think is a debatable point, but certainly they ought to be present. They ought to be active and they ought to have, as consumers, an opportunity to express an opinion. Recognizing we are prepared to take professional advice from almost anybody these days, the least we could ask for is a balance in that process.

Mr. Speaker, the final point I want to make in support of this bill is that one of the principles of the bill is to move the responsibility of this from the Ministry of Health to the Ministry of Consumer and Commercial Relations. I support that, initially because I have very little confidence in the present Minister of Health (Mr. Timbrell). I find that ministry has enough trouble looking after the living, let alone the dying or the dead, I don't think they could handle it.

I have more confidence in the present Minister of Consumer and Commercial Relations (Mr. Drea) who at least appears to take an interest in matters bearing on the consumers of the province of Ontario. Whether that ministry would be more effective

than the current ministry is a good question, but at least I see there's potential for a better and fairer way of providing funeral services to the public at large. In a theoretical model, that's where it more properly belongs.

No one is denying there are many of the qualifications necessary for funeral directors or people who work at funeral homes, and much of their training will take place in matters related to health, but without question the aspect we are looking at in the principle of this bill is the financial aspect to ensure that people can get proper funeral services at a level desirable to all concerned and that alternatives are available to them. Mr. Speaker, I find that an ultimately supportable principle.

In summary, I suspect there may be some problems that have to be worked out in clause-by-clause debate on this bill. I suspect that when this bill goes, if it can, to social development or whatever other committee of the House deals with it, we can have those hearings and deal with those mechanical problems.

The basic principle is people in this kind of a situation ought to have the circumstances clearly explained to them. This is certainly eminently supportable. They ought to have the choice, and they ought to have an alternative form for provision of the same services available to them, that ought to be there. The proposal that the consumer ought to have a say in how this bill is governed is also certainly eminently supportable.

Mr. Speaker, I recognize there are those who have written us letters and made phone calls to us pointing out some problems with the bill. There are problems with every piece of legislation that comes through this House. That is hardly a reason to throw the whole thing out. That certainly may well be a reason to take it off to committee and study the bill a bit further before it is brought back in here, but I find the principles espoused in this bill are eminently supportable. I would urge other members to support it.

Mr. Jones: Mr. Speaker, in rising this afternoon to participate in this debate, I will not pretend to have the expertise or the professionalism of earlier speakers, such as the member for Sarnia (Mr. Blundy).

Mr. Roy: Very few of us have.

Mr. Jones: I find myself sharing a lot of the feelings that my colleague the member for Chatham-Kent (Mr. Watson) expressed. I would like to avoid repetition. I know

the previous speaker, the member for Oshawa (Mr. Breaugh), spoke, as we must before coming to committee, to the principle of the bill. As I look at the principle of Bill 60, I can't help do other than to look at a couple of the sections that do jump out and cause me some curiosity, namely, sections 4 and 6 as outlined in the explanatory notes of the bill.

Section 4, according to the explanatory notes, removes the restriction that only licensees under the 1976 Funeral Services Act may provide materials for funeral services. The thought behind the inclusion of the words "providing funeral supplies" in section 5 of the same act was based on the premise that anyone who is engaged in the profession of directing funerals is a provider both of funeral services and the necessary supplies. Often it is the case that a funeral home does more in the way of providing the latter than it does the former. I am not talking about florists for a moment.

I felt it was important, and I sense that the drafters of this legislation obviously felt it was important, to regulate that part of the business dealing with the provision of these supplies. In this act I am sure it was originally intended, to police and control the whole area of funeral services, the most important feature of which, except for embalming, is the supplying of materials.

There is an additional consideration. In defining what constitutes directing funeral services, or for that matter funeral supplies which also are not defined specifically under the act, could provision of advice for funeral arrangements or assistance with arrangements by those primarily interested in retailing funeral supplies be considered direction of funeral services? My point is simply that it appears to me that if unlicensed persons were permitted to provide funerals to the public there could in some instances cease to be any control and protection of the consumer.

Beyond this, I have a few questions concerning section 4 of Bill 60. I admit I do not have the answers, but I am still concerned about them as we address ourselves to the bill. For example, what degree of commercialism would be imposed upon the professionalism now maintained by the funeral directors if Bill 60 were passed? Would safeguards against injury to and contamination of public health in any way be endangered through less direction of funerals by those trained and regulated by professional regulatory bodies? Would it become more difficult to enforce the legal aspects of compliance with the vital Statistics, Coroners and Cemeteries

Acts if more and more of the public conducted funerals?

I don't really think the members of the third party have the answers to those questions. I sense the member for Oshawa, when he spoke in favour of the principle of the bill, admitted that he still would find need for clarification of some of the specifics.

I was interested to note in the inclusion of comments about it so far we dealt with legislating, and we seem to be talking almost as was the case in similar previous debates in this House when the honourable members were involved in talking about the legal profession. Many of those taking part were members of the legal profession and they were dealing specifically with the practice of advertising. We are now dealing with regulation of another profession. The resolution there seems to me to be similar to this bill. I am equally interested to note the similar lack of direct expertise by those engaged in this debate, putting aside for a moment the member for Sarnia and his comments. This is not to say, of course, that we have to be experts on everything we debate in this House, but it seems unrealistic to me that we can be ignoring for a moment the professionalism aspect, and I have to worry that that would not suffer if this bill were passed on second reading.

I notice that previous speakers spoke to the fact that no funeral director would—"in his right mind" I think were the words—proceed without the clear approval of family as to specifics of a service. I would have to think, from a common sense point of view and not being involved in that profession, that certainly makes sense to me, given their need to maintain their position in the community, et cetera. I will not be so naive as to think there have not been abuses, I am sure there have been.

As we address ourselves to how we maintain the discipline of that professionalism, I turn my thoughts to other parallels in our community. For example, dental surgeons supply necessary services to our community, and they charge certain rates for this service. All of us here have heard someone, at some time, complain about the expense of dental fees. Why, then, aren't the regulations governing the College of Dental Surgeons of Ontario within the responsibility of the Ministry of Consumer and Commercial Relations? Personally, I think the answer is obvious: for the same reasons that those covering doctors and pharmacists and other professionals in the health field are not.

Unlike the member for Oshawa who said his choice would be based on personality—it

sounds as though he is a little fond of the Minister of Consumer and Commercial Relations who is with us; and I cannot but agree, a truly great minister and a lovable fellow to boot—but that is hardly a reason to decide that ministry should be the one to administer the disciplines of this particular profession. For my part I would feel, for the reasons offered, that it should remain under the Ministry of Health.

In conclusion, there is much in this bill which is confusing and much that is unnecessary. I think the previous speaker also confirmed that. Transferring the responsibility for this act to the Ministry of Consumer and Commercial Relations is but one of those matters. For this reason I would find a bill such as this most difficult to support. Rather I stand opposed to it.

I noticed the previous speakers pointing out that at present—and this is important to me, important to our philosophy on the government side of the House—we find ourselves noting the importance of choice. We, of course, as has been demonstrated and mentioned by the member for Sarnia coming from that profession, have that choice now in this province within that profession. So I would have a great deal of difficulty in supporting the bill, although some of the specific concerns as mentioned by the mover of the resolution I can agree with to an extent. But I am very clearly opposed to the principle of the bill we are addressing today.

Mr. Breithaupt: Mr. Speaker, during the debate on the Funeral Services Act in December, 1976, the member for Port Arthur (Mr. Foulds) presented at some length the comments of a number of people in his constituency, particularly those of Mr. Eric Gowen, on behalf of the Memorial Society of Thunder Bay. Indeed, it took generally, as one can see in Hansard, from page 5459 to 5462 to present those comments and the information from several memorial society members within the province.

I was present at that time and I think it was useful for the record of the House that all of the information available, with the opinions of memorial society members, was presented then.

[5:30]

In the committee stages of the bill, on December 15, a further substantial debate occurred on the membership of the Board of Funeral Services. That debate, I think, is really what we are seeing repeated here today, since in my view that membership, as suggested by the member for Port Arthur, is the real principle of this bill.

My view is that the proportion of membership, as it now exists on the board of funeral services, is satisfactory and does not need to be changed. I recall the comments made during the debate by the member for Scarborough Centre, now the Minister of Consumer and Commercial Relations (Mr. Drea). He stated then that in the five years of conducting the action line program for the Toronto Telegram, of the 250,000 complaints which he and his staff had handled there was not one that dealt with the matter of funeral services and their provision.

I must add to my remarks made during that debate in that I have not received a single complaint about the provision of funeral services in my constituency of Kitchener during the almost 12 years I have had the honour to represent those 70,000 people. There are some 1,500 persons in the Kitchener-Waterloo area who are members of a memorial society. I understand all of the funeral directors, at least in our area, co-operate as asked by anyone who wishes a low cost and preplanned funeral, whether a person be a member of a memorial society or not.

In my opinion, the consumers' interest in the provision of funeral services is attended to by the present proportion of membership on the board. There are at present five funeral directors and three members of the public. The members of the public consist of two clergymen, the Rev. Kenneth Bagnell and the Rev. Agnew Johnston, and the third person is Mrs. Edith McIntosh, a lady whom I know rather well since she ran as the Conservative candidate against me in 1971. She is a former mayor of my city and she is a former president of the Consumers' Association of Canada. I suggest she is well able to represent the consumers' interest without being an adherent of the memorial society membership, as would be suggested as a condition for membership for one of the persons who would be appointed by the Lieutenant Governor in Council as set out in this bill.

I think the principle therefore is one which the House has considered at some length, as it looks at the membership of the Board of Funeral Services. That membership is in a proportion I find satisfactory as it presently stands. It is clear in the Law Society Act, or with respect to the medical association or the accountants or any other professional group, the public interest can well be represented by appointees by the Lieutenant Governor in Council. I know of no occasion where the majority of a professional body is appointed from members outside of that profession or

calling. I don't see why there is any requirement it should be so in this instance.

Other items, of course, appear in the bill, and members have alluded to them; but to me, as I have mentioned, the real principle of this bill is the matter of membership of the board. Since I favour the membership of the board in the proportions as it now stands, in my view I am not in favour of the principle of the bill. As a result it is my intention to oppose the bill on second reading. I do hope, however, that the bill will come to a vote so that members will be able to stand and be counted on the basis of their views on this item. If the bill does receive second reading there would be the opportunity for further input if the members of the House so wish. However, as for my view, I would oppose the bill on second reading.

Mr. Warner: Mr. Speaker, it's disappointing to learn that although once again, as the member for Kitchener pointed out, we have the issue before us, yet once again the efforts, which are really efforts to protect the consumer, are going to be thwarted by the government, possibly with the support of the Liberal Party.

Mr. Gregory: You are putting the cart before the horse.

Mr. Warner: I think that what my colleague the member for Port Arthur (Mr. Foulds) has put forward is a bill which can be viewed as being in the interests of consumers.

On occasion I have met with memorial societies whose members feel that the interests of all citizens in the province of Ontario are not being adequately met under our present conditions. Many of us face the problem of not knowing how much is a reasonable amount of money to spend on funeral preparations and services. There should be some better way of finding out other than to be left to the moment of the unfortunate event. Similarly, there should be a way to ensure that the whole embalming procedure is not automatically assumed to be law.

That's why I say if we get to the basics it really is a consumer protection bill. I was absent from the House on some other duties and I don't know if my colleague from Scarborough Centre spoke on the bill. He didn't speak? I would assume that the Minister of Consumer and Commercial Relations (Mr. Drea) would be anxious to support this bill because it's the kind of protection that should be built into his ministry.

Mr. Bradley: He's nodding "no."

Mr. Warner: He's either nodding "no" or falling asleep.

Hon. Mr. Drea: The answer is no.

Mr. Warner: I don't know why the minister, who on occasion has expressed concerns about protecting the consumer, would not want each citizen of this province to know precisely what's involved in what obviously is to all of us a necessary service. We should know what's involved and we should know the prices. We should be able to exercise our judgement only when we are given all the facts. We're not guaranteed that we can do that now.

The Minister of Consumer and Commercial Relations has had the opportunity for some time to incorporate this kind of protection and he has chosen not to do so. My colleague as the member for Kitchener drew to our attention, spoke previously and spoke well, he tried to put forward the arguments during the debate on the other piece of legislation, and once again he put forward the arguments on this bill.

I suppose at some point in time the people of Ontario will get an opportunity to have better consumer protection in this important area. From what's about to happen in the chamber in a few minutes, that at least as of today the interests of consumers will not be protected. The interests of consumers will be voted against by the Minister of Consumer and Commercial Relations and by the Liberal Party in its coalition with the government this afternoon.

Mr. Bradley: How many of your members are going to vote against it?

Mr. Warner: I know my colleague from Thunder Bay will be back again with his legislation. He will put the point forward again.

Mr. Eakins: Is that a threat? It was brought up at private members' hour before.

Mr. Warner: I recall private members' hour. I also know the government often chooses to guillotine the bill; and that's about what we'll see today with the enthusiastic support of the Liberal Party.

Mr. Epp: David, with your holier than thou attitude, you've done that too.

Mr. Warner: Never guillotined a bill.

Mr. Speaker: Would the member for Port Arthur like to use his seven minutes now?

Mr. Foulds: Yes, Mr. Speaker, if I may.

I wanted to mention that two of my colleagues, the members for Etobicoke (Mr. Philip) and Windsor-Sandwich (Mr. Boun-sall), were anxious to participate in this

debate, as they did in the 1976 debate. Unfortunately, the former is in justice committee and the latter has an engagement that has to do with the portfolio he presently has responsibilities for in our caucus, education.

I am frankly disappointed with the response of the House to the bill—

Mr. T. P. Reid: We're all out of step except you.

Mr. Foulds: No, no; it is partly because what I perceive is once again a great "nyet" on the part of the Liberal-Conservative Party of Ontario.

Mr. Bradley: You had the votes over here a while ago.

An hon. member: I've never heard them described as the Liberal-Conservative Party of Ontario.

Mr. Foulds: I readily admit if the bill proceeds past second reading into committee some consideration should be given to some of the clauses. They may not be as perfectly drawn as I would have liked. I was trying to fit it within the framework of the presently imperfect act we passed in December 1976.

I want to suggest there has been some information put forward in the House that is not accurate for the province as a whole. That is, I defy any member of this House to tell me every funeral director in this province on every occasion when he provides a funeral service, says clearly to the consumer embalming is not necessary in Ontario, the embalming costs so much, and asks if the consumer wishes to purchase this optional service? I defy anybody in this House to tell me that happens in even the majority of cases where funerals are provided in this province.

Second, I suggest to you, Mr. Speaker, it is not common practice to provide an itemized list of supplies and services with the prices attached, which is urged upon us by the Ministry of Consumer and Commercial Relations in other areas. I suggest we should urge it upon the funeral directors in this case.

I want to tell of a specific case, because we've heard that complaints aren't given to the Board of Funeral Services. May I suggest to members that a person who has gone through the experience of having to arrange a funeral on behalf of a friend or a relative—because the responsibility is on them to initiate the complaint—is not likely to complain as they will not want to relive that experience and go through that hassle again. That accounts for the low number of complaints which has been constantly cited.

I want to give members the example of someone in my own constituency, a young woman, a single parent, whose father happened to die suddenly. That young woman was thrown into the situation where, although she had brothers and sisters who lived in other parts of the country, she had the responsibility of arranging the funeral service. She was a working woman. She had four children. She had a grieving mother and she had relatives coming in from all over the country.

[5:45]

She went immediately to a funeral home and purchased a service that was packaged, and not itemized, and it cost her \$600 more than she could have got the service for in Thunder Bay. It was because of that situation, where she panicked and wanted to get the thing out of the way, that she went into debt and had to borrow the money to pay for the service.

If that happens once in Ontario—and I suggest it happens far more than once—we must avoid it. It is not the time when a consumer should be exploited, whether deliberately or inadvertently.

We should pass this bill on second reading simply to avoid cases like that, and I would like to assure this House that there is more than one case.

With regard to the composition of the board, I am certainly willing to look at the balance in the composition. It may be that it should be 50-50. But I do not buy the argument that because the other self-regulating bodies in this province have a majority of their people on the board of directors of their governing body—the boards that are formed under the legislation by which they are governed—that that should apply. It's time that society's interests came first rather than the self-interests of the self-governing bodies, whether they are medical doctors, pharmacists or embalmers and funeral directors. It's about time we looked at the consumer interest and more seriously than we do now.

I admit we made one tiny step forward in 1976. All I suggest is that in 1979 it's about time we took another large step forward—not a giant step; just a large step.

Finally, I want to sum up by saying that in most cases in this province people go in and buy a package not knowing, specifically, what is in that package. No one in this debate, whether from the funeral industry or speaking on its behalf, or simply speaking against the bill, has itemized even the items

that are provided by funeral directors at the present time.

I want to re-emphasize what I said at the beginning. In no way is this bill designed to—nor can it, if passed—do away with the traditional funeral. The bill simply seeks to achieve a certain amount of redress in favour of the consumer.

Mr. Speaker: I want to remind the honourable member that his time has expired. However, I will allow him to continue if no other member wishes to speak.

Some hon. members: Agreed.

Mr. Foulds: Thank you, Mr. Speaker, and I thank the House for that unanimous consent, for the precedent it has set. I would like to say that this is perhaps why we should set a precedent in terms of establishing consumer representation on the Board of Funeral Services.

Basically, as I said at the beginning, the bill is simply a modest attempt to reform the Funeral Services Act. One of the things that has surprised me is that, although I have had complaints from florists—which I think are not based on reality—I have had not a single complaint from a funeral director in this province; and the bill has been on the order paper for a good two and a half weeks. I have received some supporting letters and telegrams from individuals and from memorial societies, but I want to emphasize that the bill is not one establishing memorial societies. Nor does the bill take away the right to provide funerals by funeral directors; it is simply an attempt to establish some consumer protection.

In a case like this, where the service must be purchased and when the consumer must purchase it at a time of stress, the utmost thing in the minds of the Legislature should be the protection of that consumer.

ONTARIO HYDRO ACCOUNTABILITY ACT

The following members having objected by rising, a vote was not taken on Bill 61:

Ashe, Baetz, Bennett, Brunelle, Drea, Eaton, Gregory, Henderson, Hodgson, Johnson, J., Jones, Kennedy, McCaffrey, McCague, McNeil, Newman, W., Norton, Parrott, Ramsay, Rollins, Rowe, Scrivener, Smith, G. E., Stephenson, Taylor, G., Timbrell, Villeneuve, Walker, Watson, Welch, Wiseman—31.

FUNERAL SERVICES AMENDMENT ACT

The House divided on Mr. Foulds motion for second reading of Bill 60.

Mr. Speaker: There are two members who are present in the chamber who haven't voted. They must vote on one side or the other.

The House divided on Mr. Foulds' motion for second reading of Bill 60 which was negatived on the following vote:

AYES

Breaugh, Cassidy, Charlton, Davidson, M., Davison, M. N., Foulds, Germa, Hennessy, Isaacs, Laughren, MacDonald, Makarchuk, Samis, Warner, Wildman, Young—16.

NAYS

Ashe, Baetz, Belanger, Bennett, Blundy, Bradley, Breithaupt, Brunelle, Campbell, Conway, Cunningham, Cureatz, Drea, Eakins, Eaton, Edighoffer, Epp, Gaunt, Gregory, Haggerty, Hall, Havrot, Henderson, Hodgson, Johnson, J.

Jones, Kennedy, Kerr, Kerrio, Lane, MacBeth, Mancini, McCaffrey, McCague, McKessock, McMurtry, McNeil, Newman, W., Nixon, Norton, O'Neil, Parrott, Ramsay, Reed, J., Reid T. P., Rollins, Rotenberg.

Rowe, Ruston, Sargent, Scrivener, Smith, S., Smith, G. E., Stephenson, Sterling, Taylor, G., Timbrell, Turner, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton—66.

Ayes 16; nays 66.

The House recessed at 6 p.m.

ERRATUM

No.	Page	Col.	Line	Should read:
33	1399	2	32	Harry Barrett. It takes us back to the early

APPENDIX

(See page 1557)

ANSWERS TO QUESTIONS
ON NOTICE PAPERCHILDREN'S SERVICES
REPORTS/STUDIES

97. **Mr. Blundy:** Would the Ministry of Community and Social Services produce a listing by title and author of all reports, studies, consultation papers, evaluations, assessments, inventories, policy papers and other such studies prepared for the children's services division of the ministry for the years 1977 and 1978? Would the ministry further list those reports that were prepared by contract or non-permanent ministry employees and by paid consultants? What is the cost of each of the above reports produced by non-ministry staff? [Tabled March 27, 1979.]

98. **Mr. Blundy:** Would the Ministry of Community and Social Services enumerate all the task forces, study groups, interministerial committees, demonstration projects, pilot programs, et cetera, et cetera, that were in existence in 1977 or were struck subsequently in the years 1978 and 1979 under the auspices of the children's services division of the ministry? [Tabled March 27, 1979.]

Hon. Mr. Norton: 97. The following are the reports et cetera, completed by the children's services division during the period in question.

The question makes reference to "non-permanent ministry employees." This causes some difficulty in preparing a list of reports and their cost. In actual fact many of the staff involved in the developmental work within the division are employed as unclassified staff. This includes both Dr. Clive Chamberlain who is in charge of all policy work and Mr. Michael Ozerkevich who is in charge of standards and information gathering. Even Judge Thomson, the associate deputy minister, is on staff on a leave of absence basis.

The reliance upon non-permanent employees is a deliberate policy which reflects the fact that much of the work which has to be done is both developmental and time-limited so that many of those persons now employed within the division should not be there on a long-term basis. This point is raised because one could say that almost every report, et cetera, completed in 1977 and 1978 within the children's services division was prepared by other than full time classified ministry staff. In the following list no attempt has been made to cost out the time spent by any unclassified staff on each paper. It would be virtually impossible to do such estimating. However, we have listed the cost of any paper completed by external consultants.

REPORTS, STUDIES, CONSULTATION PAPERS, EVALUATIONS, ASSESSMENTS,
INVENTORIES, POLICY PAPERS

Title	Author	Year	Cost of Non-Ministerial Staff
1. Residential Inventory Feasibility Study	Ministry Staff	1977	
2. Children's Services Information Systems Consultation Paper	Tom Croil	1977	\$15,000
3. Automated Information Systems Project	Wally Henry	1977	\$15,825
4. Residential Services Inventory	Ministry Staff	1977	
5. Operational Review of Observation and Detention Program (Volumes 1, 2, 3)	Ministry Staff	1977 1978	
6. Children's Services Glossary	Ministry Staff	1977	
7. Local Children's Services Committees—Consultation Paper	Ministry Staff	1977	

REPORTS, STUDIES, CONSULTATION PAPERS, EVALUATIONS, ASSESSMENTS,
INVENTORIES, POLICY PAPERS (continued)

Title	Author	Year	Cost of Non-Ministerial Staff
8. Children's Services Short-Term Legislative Amendments Consultation Paper	Ministry Staff	1977	
9. Children's Services Legislation: Changes Resulting from Consultation	Ministry Staff	1978	
10. Children's Services Legislation: Summary	Ministry Staff	1978	
11. Children's Residential Care Facilities — Proposed Standards and Guidelines — Consultation Paper	Ministry Staff	1978	
12. Tracking System Feasibility Study	Michael Quinn	1978	\$ 5,500
13. Children's Aid Society Operational Review Manual	Ministry Staff	1978	
14. Standards and Guidelines for Management of Child Abuse	Ross Dawson	1978	\$ 2,543
15. Program Priorities for Children's Services, 1978	Ministry Staff	1978	
16. Research and Evaluation Issues	Ministry Staff	1978	
17. Planning the Process of Change	Jeremy Posner	1978	\$ 2,500
18. Clinical Assessment in Children's Services	Ministry Staff	1978	
19. Report on Ottawa-Carleton Children's Aid Society	Jackson, Smith & Associates	1978	\$34,384
20. Ottawa-Carleton Children's Aid Society Action Plan	Jackson, Smith & Associates	1978	\$13,500
21. Consultation with Young Persons — Short-Term Legislative Amendments	Terry Lee	1978	\$ 5,000
22. Evaluation of the Consultation Process	Ministry Staff	1978	
23. Assessment of Training Needs and Priorities — Ontario Association of Children's Aid Societies	Funston, Murphy & Associates	1978	\$35,000
24. Assessment of Revised H.E.W. Child Abuse and Neglected Curriculum, "We Can Help" as a Useful Program in the Training of Ontario Professionals	Funston, Murphy & Associates	1978	\$10,000
25. Survey of Early Childhood Educators	Professor Donna Lero	1978	\$10,000
26. Garber Task Force Report	Dean Ralph Garber	1978	\$12,350

98. The following is the list of all task forces, study groups, et cetera, in existence either in 1977 at the time the children's services division was formed or at any time since that date. Many of these are no longer in existence as their tasks have been completed.

Over the past several years a number of demonstration projects have been established both within the corrections field as juvenile diversion and prevention projects and within the child welfare field as child abuse prevention, identification and treatment projects. A list of these projects has not been included but this can be provided on request.

Children's Services Division —
Ministry of Community and Social Services

Task forces, study groups, interministerial committees, demonstration projects, pilot programs: (1) Task Force on Information Systems, 1977; (2) Consultation Task Force, 1977; (3) Models Task Force, 1977; (4) Committee on Detention of Non-Delinquent Youth, 1977; (5) Advisory Task Force on Children's Services Committees, 1977; (6) Child Welfare Services Study, 1977; (7) Family Court Clinic Task Force, 1977; (8) Francophone Advisory Task Force, 1977; (9) The Functional Model—Pilot Project on Niagara Region, 1978; (10) Interministerial Placement Action Committee, 1977.

(11) Provincial Standards Development Advisory Committee and Working Groups, 1977-79; (12) Task Force on Case Information Disclosure, 1977; (13) Secure Care and Classification Task Force, 1978; (14) Garber Task Force on Child Abuse, 1977; (15) Interministerial Committee on Child Abuse, 1977; (16) Interministerial Liaison Committee (Education-Community and Social Services), 1978; (17) Interministerial Committee on Learning Disabilities, 1977; (18) Pilot Children's Services Committees, 1978-79; (19) Committee on Determinate Sentencing, 1978; (20) Committee on Implementation of Secure Treatment Unit, 1978.

(21) Training School Ward Case Plan Review Committee, 1979; (22) Task Force on the Maintenance and Development of Programs in Early Intervention for Mentally Retarded Children, 1978; (23) Judicial Review—Sarnia Children's Aid Society, 1978; (24) Research Information System Task Force; (25) Children's Aid Society Operational Review Steering Committee, 1978; (26) Northern Priorities Implementation Group; Northern Priorities Working Groups, 1978; (27) Private Schools—Day Nurseries Committee, 1977; (28) Ministry/OACAS Funding Task Force, 1978; (29) Children's Aid Societies Operational Re-

view, 1978-79; (30) Program Operational Reviews: Observation and Detention Home Program, 1977; Children's and Youth Institutions Program, 1978.

(31) Facility Operational Reviews: Thistle-town Role Review, Sudbury-Algoma Review, Royal Ottawa Hospital Role Review, Viking Homes Review, Lakeshore Hospital Review; (32) Day Care Policy Review, 1979; (33) Interministerial Committee on the Competency Based Approach, 1978; (34) Observation and Detention Homes Training Program, 1978; (35) Children's Aid Societies Training Programs, 1978; (36) Panel of Experts on Child Abuse, 1979; (37) Volunteer Programs Review Committee, 1978-79.

NUCLEAR PLANT SAFETY

106. **Mr. Cassidy:** Will the Minister of Energy tell the Legislature what the permissible dose to the general population of (a) whole body radiation, (b) radiation to the thyroid would be, under the existing Atomic Energy Control Board licensing criteria and according to the revised criteria which have been proposed by the Inter-Organizational Working Group, in the event of each of the following dual-mode failure accidents: (i) a loss of coolant accident accompanied by a loss of containment; (ii) a loss of regular coolant accompanied by a failure to shutdown; (iii) loss of regulation plus failure to shutdown? Since the permissible exposures under the proposed revised criteria are based in part on the probability of the accident in question, would the minister table in the Legislature the assumptions and calculations used to determine the probability of each of these types of accident for the purpose of calculating permissible exposures? [Tabled April 5, 1979.]

107. **Mr. Cassidy:** Would the minister table in the Legislature all studies and evaluations done by or for Ontario Hydro on the potential environmental effects, specifically the possibility of widespread radioactive contamination of lake waters, in the event of a major nuclear reactor accident in any generating plant located on the shores of Lake Huron or Lake Ontario? [Tabled April 5, 1979.]

108. **Mr. Cassidy:** Will the Minister of Energy table in the Legislature all the Pickering Generating Station quarterly technical reports produced by Ontario Hydro up to the present time? [Tabled April 5, 1979.]

109. **Mr. Cassidy:** Will the Minister of Energy table in the Legislature all the Bruce Generating Station quarterly technical reports

produced by Ontario Hydro up to the present time? [Tabled April 5, 1979.]

110. Mr. Cassidy: Will the Minister of Energy table in the Legislature the Pickering loss of coolant accident report (October 1978) produced by Ontario Hydro? [Tabled April 5, 1979.]

126. Mr. Cassidy: Would the minister table in the Legislature all technical documents and calculations produced or used by Ontario Hydro in assessing the probability of fuel melting in a Candu nuclear reactor in the event of loss of regular cooling accompanied by failure of the emergency core cooling system (ECCS)? What is the probability of fuel melting in the event of such an action? [Tabled April 6, 1979.]

127. Mr. Cassidy: Since the vacuum building is an essential part of the containment system at the Bruce and Pickering nuclear generating stations, will the minister tell the Legislature for how long negative pressure can be maintained in the vacuum buildings at those generating stations without having to pump any air out of the vacuum building? If air had to be pumped out of the vacuum building, how could it be purified to remove all radioactive contamination? Would the minister table in the Legislature all technical documents and reports produced by and for Ontario Hydro when he answers these first two questions? [Tabled April 6, 1979.]

Hon. Mr. Auld: On April 27, 1979, the select committee on Ontario Hydro affairs established a process to review all documents and information relating to nuclear safety which are in the possession of Ontario Hydro.

Since the select committee's review appears to cover all the matters addressed in the questions tabled by Mr. Cassidy, it would seem appropriate for these questions to be referred to the select committee so that they might be considered in the course of the broader review presently initiated by it.

MULTICULTURALISM PROGRAMS

138. Mr. Grande: Will the ministry now expand the answer given by the Minister of Culture and Recreation to question 96 on the Order Paper 10? Since the question quoted two sections on page 14 of the ministry's 1977-78 annual report, will the ministry explain why the Minister of Culture and Recreation found it "impossible to identify programs intended to promote and advance what is already present", i.e. multiculturalism, when his annual report states the multiculturalism development branch is "responsible for the promotion and advancement of

multicultural development"? To that end, will the ministry provide a three column table; in column one place names of the groups to whom financial and consultative assistance was offered, in column two place a description of the assistance and in column three, an explanation of how this achieves the ministry's stated purpose of the promotion and advancement of multiculturalism? [Tabled April 12, 1979. Interim answer tabled April 26, 1979. Approximate date information available May 2, 1979.]

See sessional paper 48.

LAKESHORE PSYCHIATRIC HOSPITAL

141. Mr. Lawlor: Does the Minister of Health not know or does he not agree that general hospitals cannot provide the specific kind of care or services that psychiatric hospitals can and do; that they attend upon and to different and distinct groups of patients in terms of length of care and the seriousness of the emotional disability? [Tabled April 19, 1979.]

142. Mr. Lawlor: Does the minister seriously contend that the Queen Street facility can or will into the future meet the projected increasing demands for hospitalization for the mentally ill as is documented in the McKinsey report and as set out in the OPSEU brief which points out a deficiency of beds almost before he begins? [Tabled April 19, 1979.]

143. Mr. Lawlor: What about the day care and particularly the out-patients' services at Lakeshore? Does the ministry seriously pretend that the present needs, much more the future requirements, of these people will begin to be met? [Tabled April 19, 1979.]

144. Mr. Lawlor: Does the minister not recognize on the basis of his own statistics that a new hospital will be necessary, no matter what, within a foreseeable time; and at a very much greater capital cost (including the acquirement of land) than as recommended in the role study? [Tabled April 19, 1979.]

145. Mr. Lawlor: How can the ministry possibly close the special observation unit which attends to patients under Lieutenant-Governor's warrants? [Tabled April 19, 1979.]

146. Mr. Lawlor: What is the ministry thinking about in removing the dialysis unit to Whitby when the patients are located at the other end of the world? [Tabled April 19, 1979.]

147. Mr. Lawlor: Since it was found impossible over a two-year or greater period to find a location for the child and adolescent

care unit and that institution will remain on the grounds, what basis is there for a belief that the numerous other units can be accommodated elsewhere in the Lakeshore area? Where? And, in particular, the present valued and necessary alcoholic program? [Tabled April 19, 1979.]

148. Mr. Lawlor: What disposition does the minister intend to make of that building which was financed and constructed by the volunteers, who have been such a valuable asset to this hospital? [Tabled April 19, 1979.]

149. Mr. Lawlor: Cannot some use be found for the workshops and rehabilitation equipment and facilities fairly recently erected on the premises at considerable cost? [Tabled April 19, 1979.]

150. Mr. Lawlor: In short, and as constantly new questions arise, does the minister not realize or even acknowledge that he is in the process of making a gross and irreparable blunder which his government will soon learn to regret, in his unplanned and ill-considered move to close this facility against the best advice of his own hired consultants (\$120,000 worth) and the numerous, most directly involved social agencies and individuals? [Tabled April 19, 1979.]

151. Mr. Lawlor: Is the minister not now prepared to reconsider the closing of Lakeshore Psychiatric Hospital on the basis of the numerous observations and comments made at public meetings, by way of correspondence, and by briefs submitted particularly by the Ontario Public Service Employees Union? [Tabled April 19, 1979.]

152. Mr. Lawlor: Since I am often awakened at 3 a.m. by someone calling about a problem, and this has been known to happen to many other members of the Ontario Legislature, does the minister really feel that such a disturbance of his sleep constitutes adequate grounds for closing the institution, as he intimates by his repeated,

soulful reference to this matter? And in particular, does a fire arising out of actions of a patient in the special observation unit so constitute any or adequate grounds? [Tabled April 19, 1979.]

153. Mr. Lawlor: Will the minister not give good consideration to the perfectly reasonable suggestion made by the member for Lakeshore that a planned, phased approach to this whole problem would be the best solution for all concerned? That is to say, that a new psychiatric hospital having, say, about 150 beds at its completion, be gradually constructed over a period of five to 10 years and that at each stage of completion, the more serious patients be moved from the older quarters into the new, thereby retaining the full complement of present in- and out-patient services, without disruption and located on such portion of these extensive grounds as would free the balance for such approved community purposes as would meet the needs of the area? [Tabled April 19, 1979.]

Hon. Mr. Timbrell: An extension of approximately 30 days is required and I will table an answer by approximately June 7, 1979.

FOREST REGENERATION

154. Mr. Foulds: Will the ministry table the figures for all the allowable and actual cuts since 1970, by licences granted to timber companies in the province? [Tabled April 19, 1979.]

Hon. Mr. Auld: I have prepared a table showing the allowable and actual cuts on a company basis (table I) and a table showing the allowable and actual cuts on a crown management unit basis (table II).

Data for the crown management unit for the year 1970 are not readily available, therefore the period indicated in table II is for 1971-78.

TABLE I

ALLOWABLE AND ACTUAL CUTS FOR MANAGEMENT UNITS IN PROVINCE

Company Management Unit	All Species Allowable Cut April 1/70 to March 31/78 Cunits	All Species Actual Cut April 1/70 to March 31/78 Cunits
Abitibi Paper		
Lakehead	3,691,985	1,590,148
Iroquois Falls	2,467,520	1,727,144
Smooth Rock Falls	1,558,528	824,730
Sault Ste. Marie	2,019,204	492,035

ALLOWABLE AND ACTUAL CUTS FOR MANAGEMENT UNITS IN PROVINCE (cont.)

Company Management Unit	All Species Allowable Cut April 1/70 to March 31/78 Cunits	All Species Actual Cut April 1/70 to March 31/78 Cunits
American Can	2,255,040	1,228,329
Austin Lumber	320,400	179,087
Beaverwood Fibre (6 yrs.)*	118,200	123,033
Canadian Splint and Lumber (Eddy Match) (6 yrs.)*	350,100	108,482
Reed		
Wabigoon	1,970,800	1,465,947
Trout Lake	2,690,320	306,202
E. B. Eddy Forest Products	2,710,480	1,138,890
Great Lakes Forest Products	12,635,256	4,705,473
Kimberly Clark	4,140,400	2,847,173
Boise Cascade	4,982,960	1,249,287
Ontario Paper		
Black River	836,400	420,637
Nagagami	999,600	628,258
Little Pic	334,080	15
Northern		
North Working Circle	340,100	304,074
South Working Circle	396,700	190,741
Former Beaverwood Fibre Area (2 yrs.)*	46,800	29,532
Pineland Timber	850,640	363,712
Spruce Falls	3,530,000	2,261,767
Domtar	3,488,000	933,801

*The number of years covered by the data.

TABLE II

Crown Management Unit	All Species Allowable Cut April 1/71 to March 31/78 Cunits	All Species Actual Cut April /71 to March 31/78 Cunits
Canadian Johns Manville	333,760	43,266
Lac Seul	536,900	112,251
Aulneau	254,622	79,436
Bancroft	144,277	231,559
Berens River	1,345,400	174
Bigelow	177,954	58,980
Blind River	319,060	146,258
Burwash	93,226	22,720
Chapleau	437,740	254,013
Cobalt	99,995	46,492
Cochrane 1	179,368	94,582
Cochrane 2	147,150	130,009
Dacre	411,831	231,590
Elk Lake	984,345	195,990
Englehart	398,230	302,300
Fort William	808,708	163,503
Franz	882,189	391,093
Georgian Bay	444,731	71,938
Gillies	531,286	85,830
Gogama	831,464	77,274
Gooderham	289,254	173,674

ALLOWABLE AND ACTUAL CUTS FOR MANAGEMENT UNITS IN PROVINCE (cont.)

Crown Management Unit	All Species Allowable Cut April 1/71 to March 31/78 Cunits	All Species Actual Cut April 1/71 to March 31/78 Cunits
Greenhill	665,169	137,085
Goulais Batchawana	1,367,947	227,765
Hearst	612,526	443,388
Huntsville	398,426	151,216
Jocko	431,963	158,949
Kapuskasing	669,613	301,931
Keewatin	255,814	82,756
Kenora	242,260	101,043
Kiosk	693,497	358,465
Kirkland Lake	127,176	84,583
Kirkwood	279,739	91,587
Lake St. Joseph	4,306,559	4,766
Larder Lake	111,554	63,362
Marten Lake	379,190	109,547
Mattawa	62,503	34,964
Missinaibi	539,604	281,242
Minaki	313,410	129,362
Moose River (3 yrs.)*	162,594	201,284
Muskrat	27,013	3,716
New Liskeard	77,315	39,115
Northern	318,136	230,181
Nipissing	157,346	51,357
Oba	385,169	350,218
Onaping	69,363	16,468
Opasatika	315,000	—
Parry Sound	49,021	12,293
Peshu Lake	1,270,023	150,963
Port Arthur	408,261	169,630
Petawawa	1,267,042	413,026
Pitopiko	791,490	338,167
Powassan-Loring	376,978	41,712
Powassan-Front	182,917	24,621
Flanders Pipestone	774,858	319,492
Rainy Lake	470,930	158,944
Rainy River	184,377	120,563
Ranger Lake	565,199	36,306
Red Lake	962,621	316,926
Round Lake	537,131	144,673
Sapawe	561,714	315,966
Sand Lake	322,762	88,090
Sault Ste. Marie	60,650	17,068
Shebandowan	270,440	443,599
Shining Tree	801,031	42,624
Sioux Lookout	1,890,029	260,118
Spanish River	266,220	119,287
Sudbury	58,023	2,182
Steel River (3 yrs.)*	120,000	23,100
Sturgeon Falls	330,582	90,479
Temagami	609,448	184,519
Timmins	365,547	279,678
Tront Lake	196,266	69,070
Tyson Lake	166,789	48,977

*The number of years covered by the data.

ALLOWABLE AND ACTUAL CUTS FOR MANAGEMENT UNITS IN PROVINCE (cont.)

Crown Management Unit	All Species Allowable Cut April 1/71 to March 31/78 Cunits	All Species Actual Cut April 1/71 to March 31/78 Cunits
Wanapitei	371,910	47,184
Watabeag	287,049	183,490
Wawa	182,594	23,925
Wenebagon	561,346	44,075
Whitney	490,287	126,653

The actual cut from Crown management units supports many licensees.

NIAGARA ESCARPMENT PITS AND QUARRIES

155. Mr. Foulds: Will the ministry detail the types of mineral aggregate stone or other construction materials that the ministry believes to be in short supply as indicated in the Provincial Secretary for Resources Development's statement on pits and quarries in the Niagara Escarpment, dated April 12, 1979? Will the ministry further detail its estimate of the amount by which demand exceeds supply for the above-mentioned minerals? [Tabled April 20, 1979.]

Hon. Mr. Auld: Materials in short supply in the Niagara Escarpment are: sand, gravel, crushed stone and dimension stone.

The forecast cumulative demand to the year 2001 ranges from 611 million tonnes to 732 million tonnes. The supply is 608 million tonnes.

Excess of demand over supply to the year 2001 ranges from three million to 124 million tonnes.

156. Mr. Foulds: Will the ministry detail the uses to which the aggregate materials considered to be in short supply within the pits and quarries restrictive zone are to be put? [Tabled April 20, 1979.]

Hon. Mr. Auld: The materials are used for road construction, housing, office buildings and other structures, concrete, sidewalks, airfields, etc. Dimension stone is primarily used for engineering and structural purposes such as the Welland Canal, bridges, culverts and building facings in many structures.

157. Mr. Foulds: Will the ministry provide figures on the export of aggregate materials considered to be in short supply within the pits and quarries restrictive zone? Will the ministry detail this information by specific material, giving its source and ultimate destination? [Tabled April 20, 1979.]

Hon. Mr. Auld: The ministry does not require the private industries involved to submit such data.

158. Mr. Foulds: Will the ministry provide a detailed summary of its demand forecasts for the aggregate materials considered to be in short supply within the pits and quarries restrictive zone? Will the ministry further provide this information by MNR district? [Tabled April 20, 1979.]

Hon. Mr. Auld: The detailed short term demand, 1978-80, forecast for sand, gravel and stone in the Niagara Escarpment area is 78.8 million tonnes. This information is not available by Ministry of Natural Resources district.

159. Mr. Foulds: Will the ministry detail the expected lifespan of licensed operations outside the pits and quarries restrictive zone containing the specific materials deemed to be in short supply within the pits and quarries restrictive zone? [Tabled April 20, 1979.]

Hon. Mr. Auld: We do not have the expected lifespan since this is largely a function of local demand and local markets.

160. Mr. Foulds: Will the ministry provide a detailed estimate of the expected lifespan of existing licensed pits and quarries, within the pits and quarries restrictive zone, containing the aggregate materials deemed to be in short supply? [Tabled April 20, 1979.]

Hon. Mr. Auld: The production of sand, gravel and stone relates to demand which varies from year to year depending on performance of the general economy and the construction industry. Depending on economic growth and quality of mineral aggregate required the lifespan of reserves in licensed pits and quarries varies from no lifespan to 20 to 30 years.

For example, one large operation in the township of Sydenham, south of Owen Sound,

has no lifespan because the quarry is exhausted. The operation has been kept open through the issuance of wayside permits in adjacent areas for municipal projects. In 1978, eight wayside quarry permits were issued to meet the demand for this material from local townships. This quarry operation can be controlled and operated more efficiently under a licence.

Another major operation has a licensed property in the town of Stoney Creek which has a lifespan of two months. Unless an additional 12 hectare parcel of adjoining land can be licensed, the company will close in July 1979 and 25 people will be unemployed.

Another operator, located in the town of Niagara-on-the-Lake, is currently producing crushed stone but the lifespan for dimension stone is nil because an additional 14 hectare parcel of land cannot be licensed since it lies within the pits and quarries restrictive zone.

These three examples indicate the necessity for immediate action in the pits and quarries restrictive zone. Although the reserves in the pits and quarries restrictive zone are fairly large, they cover the 725 kilometre length of the escarpment. There are some local and regional shortages as indicated in the three examples above.

161. Mr. Foulds: Will the ministry provide an estimate of the number of licensed acres and reserve volumes of aggregate minerals to be found within the pits and quarries restrictive zone, of the type considered to be in short supply? [Tabled April 20, 1979.]

Hon. Mr. Auld: There are 4045 hectares of land licensed under the Pits and Quarries Control Act in the pits and quarries restrictive zone.

Of the 4045 hectares licensed in the pits and quarries restrictive zone, 1035 hectares are distributed or depleted. Setbacks from property boundaries where no excavation is permitted represents 405 hectares. So 2605 hectares contain reserves for future extraction. Reserve volumes in the pits and quarries restrictive zone are 608 million tonnes.

162. Mr. Foulds: Will the ministry provide an estimate of the number of licensed acres and volume of reserves of aggregate minerals to be found in Ontario, of the type considered to be in short supply within the pits and quarries restrictive zone? Will the ministry also provide the above estimates for each MNR district in Ontario? [Tabled April 20, 1979.]

Hon. Mr. Auld: At the present time we do not have information for all of Ontario, only for the areas designated under the Pits and Quarries Control Act. Licensed hectares under the Pits and Quarries Control Act in Ontario total 56,700 hectares. The information on reserve volumes in designated areas is currently being collected.

Licensed hectares under the Pits and Quarries Control Act by MNR district:

Central Region: Maple district, 6690 hectares; Cambridge district, 7747; Lindsay district, 7558; Huronia district, 4900; Niagara district, 1898. Total 28,793 hectares.

Southwestern Region: Aylmer district, 5234 hectares; Chatham district, 1511; Owen Sound district, 2657; Simcoe district, 398. Total, 9800 hectares.

Eastern Region: Ottawa district, 9364 hectares; Napanee district, 2769. Total 12,133 hectares.

Northeastern Region: Sudbury district, 5536 hectares; Sault Ste. Marie district, 514. Total, 6050 hectares.

Licensed hectares contain: (1) Reserves for future extraction; (2) Areas already extracted and depleted; (3) Setbacks from property boundaries where no excavation is permitted; (4) Areas of the property that contain little or no aggregate; and (5) A range of quality in aggregates with related degree of marketability.

RECRUITMENT OF FOREIGN WORKERS

163. Mr. Cassidy: 1. Will the ministry name the firms which have utilized the selective placement service in order to find foreign workers to fill employment vacancies in Ontario, for each of the years 1975, 1976, 1977, 1978 and 1979? 2. Will the ministry indicate the number of foreign workers which each of the above firms was authorized to hire, and the number which each actually did hire, in the above years? 3. Will the ministry provide, for each of the above years, a breakdown by skilled trade category of the number of foreign workers brought into Ontario through the selective placement service? 4. Will the ministry provide, for each of the years 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978 and 1979, the number of active apprentices by skilled trade category? 5. Will the ministry table its policy governing access to the facilities offered by the selective placement service of firms in Ontario? [Tabled April 20, 1979.]

See sessional paper 49.

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Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 3, 1979

The House resumed at 8 p.m.

BUDGET DEBATE (continued)

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Swart: Mr. Speaker, I was taking part in the budget debate when we adjourned at six o'clock on Monday, and I am pleased to continue at this time.

I made it clear when I rose at that time that my comments would refer almost exclusively to the matter of escalating prices in our society, the harm that it was causing to those particularly on low income and what we in this party felt should be done about it.

I pointed out, and I believe I proved it with statistics, that the escalating prices were hurting most those people on low incomes and that the contrast between the low-income groups and the high-income groups in our society was increasing rather than lessening.

I pointed out that, in fact, the average standard of living in our society was falling but that was due mostly to the fact that it was falling rather dramatically for those on lower incomes.

I said we must take some action with regard to holding the level of prices and we should recognize that the old system of relying totally on competition in a corporate-dominated society, particularly one that is dominated by corporations not owned in this country, must give way to, or at least be supplemented by, some kind of fair prices commission that would give protection to the consumer.

I dealt with that in several respects. I pointed out that the competitive system was failing for a number of reasons, one of them being the high degree of corporate concentration within our society; there were fewer and fewer corporations, but they were larger and larger, having more and more power; and the consumer did not have the necessary clout in that kind of a society to get a fair break in prices.

Tonight I want to go to the second of those items which I mentioned, to a factor that is causing the competitive system to be ineffective in controlling prices; that second factor is that our economy is foreign-dominated to a very large degree. I want to give some examples of what is happening in this regard, and I think everyone will be conscious that those examples are accurate.

First of all, let me take the automobile industry. We know that our automobile industry in total is an appendage of the United States automobile industry; whether we get investment here, and the prices we pay for the automobiles, is determined by the parent companies in the United States.

This evening I am going to go into the issue of the lack of investment, both in capital and in research and development. But I want to point out that traditionally, since we have had the auto pact and even before we had the auto pact, the retail price of an automobile here, less the taxes, runs from something like three per cent at the very lowest to 10 to 15 per cent higher than the price of the same automobile in the United States.

The statistics have shown over and over again that we have a greater efficiency per man-hour of output. The automobile industry in this nation is greater in terms of efficiency than it is in the United States; so they cannot be charging more because their costs are higher. The statistics also show that traditionally the profits made by the automobile companies on investments in this country are something like 60 per cent higher on the average, year by year, than they are in the United States.

If one has that kind of higher profit, if one has that greater efficiency and greater output, why then should the consumer prices for automobiles be higher here than they are in the United States? The answer, I think, is fairly apparent. It is simply because it is the United States companies—we are just an appendage here—determine that the prices are going to be higher here to Canadians. It is not competition operating; it is a determination by the automobile companies.

The next item I want to mention is our fruit industry. It has been mentioned in this House many times that the fruit canning industry in the Niagara Peninsula is being bought out by American companies to the point where we only have one canning company of any consequence left, Canadian Canners, and that has now been bought out by Del Monte. The competition has been totally removed for Del Monte; they now control the industry. It is perfectly apparent to anyone in the industry and to consumers that if Del Monte wants to close that plant down for the safety of its profits, the company can and will do it, and the fruit canning industry in this province—for that matter, in this nation, because that is the centre of it—will be destroyed, and Del Monte and the other foreign corporations will be able to charge what they see fit in this country. Once again, foreign domination has eliminated the competition which should be controlling the prices in this nation and in this province.

Another item I want to mention regarding foreign corporations is that they are ripping off—if I may use that term—Canadians in the matter of coffee. Members of this House will know it is almost two years since my colleague the member for Etobicoke and I started an investigation at the request of consumers into the prices of coffee here compared with the prices of coffee in the United States. Briefly, I want to review that tonight.

I live in the Niagara Peninsula and for many years many of my neighbours, and I to a lesser extent travelled to the United States to buy coffee and other items. We know what the prices are in the United States. For many years coffee was 10 to 15 per cent higher in Canada than it was in the United States. I'm talking now from 1970 right on to 1977, 10 to 15 per cent higher, 10 to 15 cents a pound more on the average, although sometimes coffee was up to \$1.19; sometimes up to \$1.30.

Then in 1977 the price of coffee beans rose at a tremendous rate to a tremendous level, partly because of a frost which took place in Brazil in 1975 and killed some of the coffee trees. Now it has become apparent that rise was also caused partly from the manipulation of the large corporations that control the coffee companies and for that matter the coffee plantations.

When that took place in 1977 the differential in the coffee prices between Canada and the United States rose from that 10 to 15 per cent to 30 to 50 per cent. We documented that and it was never disputed. The difference was \$1, \$1.50, even up to \$2 a pound more that the Canadian consumers

were paying for their coffee in comparison with the American consumers in New York state and the other heavily populated states.

At one time even the present Minister of Consumer and Commercial Relations (Mr. Drea) was enraged about what was taking place. He was then the Minister of Correctional Services. He said, and I quote, "They were profiteering and making an enormous amount of money," speaking about the coffee companies. When he was chastised by his cabinet colleague who at that time was Minister of Consumer and Commercial Relations (Mr. Grossman), who suggested he really didn't mean that, his reply was, "Oh, yes. I do mean that. When I say 'ripping off' I know what 'ripping off' means." That was back on November 9, 1977.

Since that time he has become the Minister of Consumer and Commercial Relations and it is now a very different story. When the issue was raised again last December 1, just one year later, in the Legislature by me and a number of others in this party, this was his comment: "Now, if you take into account that the Canadian dollar has skidded from the time that you made your first report a year ago, from \$1.01 American down to 85 cents, if you really look at the prices, and based upon the fact that Canadian coffee grinders and processors have to buy at a fixed price in New York in American dollars, I am very much surprised today honestly that the price of coffee is as low as it is in Ontario." That was the Minister of Consumer and Commercial Relations one year later.

What were the facts at that time? One fact was that the differential was just as great then as it was when he said it was a ripoff and he knew a ripoff when he saw one. Nothing really had changed except the position of the Minister of Consumer and Commercial Relations. He had become the paper tiger once he had got into a position of doing anything about consumer prices.

I have a chart here which I brought into the House because I didn't have any other forum. It shows the kind of markup that has taken place from the green bean price. The Minister of Consumer and Commercial Relations speaks of the cost of coffee on the United States market and our dollar value being lower now. I want to point out that he said there was a ripoff. Our dollar then wasn't worth \$1.01 to the United States dollar; it was worth about 95 cents. Now it's down to 85 cents.

It has to be recognized that the cost of the green bean is less than half of the price of the coffee on the shelf. If we were going to blame it on that, we can only apply it to the

green bean price because that's the commodity market in New York. We buy it there with Canadian dollars, but from there on it is processed here. Unfortunately, it is processed here largely by American corporations. That is why we're paying such a high price.

This chart shows the green bean price on the commodity market in New York, taken from their own figures. It shows the retail price of coffee in Canada, which is taken from the official food basket price. It shows the differential between the two over those three years. It shows there was a differential of roughly 75 cents back in 1975, when coffee was something under \$1.50 here. It shows that that differential of 75 cents between the green bean price and retail price of coffee stayed approximately the same until the spring of 1977.

Then, all of a sudden, that 75 cents blossomed into \$2, and we have this wide gap. That has continued the same right up to the present time. Here are the two figures at present. It shows the green bean price is about \$1.40 and the average coffee price is about \$3.40 to \$3.49 in this province. Nothing has changed, except the attitude of the minister towards that.

I have here two recent reports which bear this out rather forcefully. Last November 8, 1978—that was only three weeks before the minister said there was nothing wrong with the coffee prices here—a reporter from the London Free Press went over to Port Huron in the United States to see what the difference is in the price of coffee. It's a lengthy article but I will just pick out a couple of items.

He said: "The same Eight o'Clock brand of coffee beans in the three-pound bag, for which we paid \$5.89 in the United States, cost \$10.69 in London—a difference of \$4.80." Nescafe instant, 10 ounces, was priced at \$5.99, or \$1.55 higher than the Port Huron price of \$4.44. Taster's Choice freeze dried, eight ounces, was \$6.29, or \$1.32 higher than the Port Huron price of \$4.97.

If we want to bring that a little bit more up to date—

Mr. Blundy: That's right. A lot of people go over to Port Huron to buy groceries every week.

Mr. Conway: Down with socialist "hoard."

Mr. Swart: That's right. A lot of people go over to Port Huron to buy groceries every week.

Mr. Ruston: They don't need coffee.

Mr. Swart: Not only groceries but other commodities too. A lot of people from the Niagara Peninsula go over to New York state

to buy a variety of products, including groceries. They do this on many occasions because the price here in Canada is fictitiously high. I'm going to be dealing with that a little further in a minute.

On April 17, a report in the *Globe and Mail* in the Consumer Game column written by Ellen Roseman makes these comments. She writes: "While in Florida on my holidays I spent some time checking the supermarkets and found that coffee prices were a lot lower than they are here. For example, a 16-ounce package of ground coffee costs \$3.49 in Toronto, \$2.33 in Miami. A 10-ounce jar of instant coffee is \$5.99 here, \$3.93 there." Then she goes on to give some other prices all along the same line.

There has been no change in the last year and a half or almost two years in the differential between coffee prices in this country and in the United States and in this province and in New York state. The present Minister of Consumer and Commercial Relations simply refuses to take any action whatsoever, even after the statement he made a year and a half ago about the consumers here being ripped off. That is due to the fact that we have only a few coffee roasters and coffee processors in this province and in this nation and they are foreign-controlled. The competitive system simply is not working to protect the consumer.

I would like to make one more quote, before I leave the coffee issue, by Ellen Roseman from her article on April 17. She said: "George Beatty, a spokesman for General Foods"—and, of course, General Foods is by far the largest roaster and processor in Canada and in the United States—

Mr. Makarchuk: They not only roast coffee, they roast people as well.

Mr. Swart: They roast the consumers, believe me. To continue: "(he) explains that Miami is a very competitive market and retail prices are very low there and he mentions another interesting point. In Canada, coffee drinkers have adjusted to the higher prices and demand is back to pre-frost levels. In the United States, consumption still hasn't returned to normal."

Because we like our coffee here, they admit they keep up the price level. With those kinds of corporations, consumers just haven't got the kind of clout that is necessary to get a fair break in prices. The government has to intervene if they're not going to be ripped off.

I want to mention a third factor. These factors, incidentally, are all connected, whether we're talking about concentration adversely affecting the consumer, the com-

petitive system, foreign domination or not. They're all tied together. The third point I want to make now is about the United States dollar influence in this country. The influence of the high United States dollar compared to our low dollar is also, not only legitimately raising some of the prices to the consumers here where we have to import from the United States, but it is being used as a technique again to rip off the consumers in this province and in this nation.

I want to deal with two of these issues. The first is lumber. Members of this House will know that back in January I started doing some investigation into the tremendous escalation in the price of lumber. It was brought to my attention, I say quite frankly, by two separate lumber merchants who were appalled at the price which they were having to charge for lumber to their customers and asked if I would sit down with them. They opened up their books fully to me.

I found out that the price of two-by-fours and staples in the lumber industry had increased by something like 70 per cent in two years. In fact, they went so far as to provide me with some documents and tables from the companies themselves which showed the price increases over those years and to which, I guess, only the lumber merchant themselves were supposed to be privy. In 1978, for instance, the price of two-by-fours of a standard length went up from \$195 a thousand to \$265. Now the price is up to \$285 a thousand.

In 1978, three-eighth-inch rough spruce plywood went up from \$185 a thousand square feet to \$245. During that time they switched a good part of that plywood production to the metric system, reduced the thickness by between 10 per cent and 16 per cent, but that price increase took place just the same, from \$185 to \$245.

Some of the increases were even worse than that. I have a letter here from a major millwork and cabinet company. After my comments had been reported, they sent me a copy of a letter which they sent to the Architectural Millworkers Association of Ontario, their organization, in which they said:

"The drastic increases in the price of lumber and plywood have been receiving much publicity of late. We are enclosing a letter recently sent by Mel Swart, MPP for Welland-Thorold. Mr. Swart's letter refers generally to construction lumber and plywood but, nevertheless, we as millwork manufacturers support his position on this subject.

"The dramatic increase in the price of upper-grade hardwood lumber and plywoods in the past two years has been completely unrealistic. These increases are particularly

discouraging to firms in the millwork industry as we are not in a position to pass these increased costs on to our customers due to fixed-price contracts. As the association is aware, many of our contracts are completed two and three years after the tender date.

"We are providing you with the following example of what has happened to the price of three-quarter-inch veneer core birch plywood in the past one and one half years—plywood manufactured in the provinces of Ontario and Quebec."

Then he gives these dates and prices per thousand square feet: May 11, 1977, \$581; November 15, 1978, \$814; and February 5, 1979, \$995. In other words, the price of that plywood which they use in making their cabinets has increased by 71 per cent in 21 months.

The profits of the forest industry last year increased by 86 per cent, up from \$263.8 million to \$491 million. We all recognize now that there is an integrated forest industry in this province and in this nation which produces paper, lumber and all other forest products. During the period from 1975 to 1978 the value of lumber exports went from \$900 million to \$2.6 billion.

When I was given this information by the lumber merchants and started to do some investigation and found out the amount of lumber that was going to the United States, I went over there to find out what our lumber was selling for there. I found that our lumber was selling, in United States dollars, cheaper than it was here in Canada—substantially cheaper. Lumber selling here at \$285 is selling to Bailey Lumber in Buffalo at \$264.50. Frontier Lumber in Buffalo is buying lumber at the wholesale price of \$255, while the price here is \$285.

[8:30]

I found out what the lumber companies were doing was pricing their lumber in the United States just a few dollars a thousand below the United States producers so they could get into the market and then they raised our lumber prices here up to the United States level. Their profits show that. The increase in the price of lumber here over that period of time shows this—a 70 per cent increase in two years. The amazing thing about this is that these same companies who produce paper sell it at the Canadian price in Canada and at the United States price in the United States. No longer ago than this afternoon I priced newsprint per ton. It sells in Canada at \$335 a ton. It sells in the United States at the United States price of \$345 a ton; that is \$393 a ton Canadian price.

Why is it? It's legitimate to ask why, with the same companies, we have one price in Canada for paper, \$345 a ton, and in the United States they get \$393 a ton for it. Yet when it comes to lumber and certain other products we pay exactly the United States price for it here. I suggest there's just one reason: their customers for paper, whether it's the Globe and Mail or the Toronto Star or the chain of Thomson newspapers, have enough clout that they don't dare raise the price of paper here to the exorbitant figure they get for it in the United States. But the lumber merchants and the customers who buy the lumber, the builders and so on, don't have that kind of clout, so they have raised the price of lumber to the United States level.

It's hurting our economy; let's make no mistake about it. One of the big builders in Ottawa says there is \$6,000 worth of lumber in an average house—this was in 1978. Just two years before that it was only costing \$4,000. This has to have an effect on housing construction. It's part of the reason—not the major part—housing starts in this province are down something like a third this year over what they were last year.

I've raised this issue in the House twice, about the increase in the price of lumber, with the Minister of Consumer and Commercial Relations and with the Minister of Housing, and both of them have just ignored it. In fact the Minister of Housing went so far as to say he didn't think the increase in the price of lumber and other things going into housing had anything to do with the increase in the price of housing. How he would figure that out, I am not sure.

But this happening to Canadian consumers, this happening here to the housing industry, appears to matter not to the government over there. It's hands off, regardless of what happens to the consumer.

If that example of lumber isn't bad enough, I would like to deal with the relationship between Canadian and US prices of copper tubing and for that matter copper generally. Once again a major builder brought to my attention that the price of standard half-inch copper tubing used in the construction of houses had increased 38 per cent between last October and the end of March this year. The profits of the copper-producing companies, when I started to look into it, were just absolutely fabulous.

Anaconda, one of the major producers of copper in this country, had increases in profits last year of something like 50 per cent and they predict they are going up this year another 40 to 50 per cent.

These are the profits of Anaconda, our major producer here.

Once again, I did a comparison and tried to find out the price relationship between Canada and the United States and why our copper tubing was so much more expensive. I was able to obtain a copy of the *Allpriser*, which is a Canadian publication that recommends the retail price of copper. I found standard copper tubing had gone up, as I said, 38 per cent since last October and now was at the level of 81.33 cents. I also got a copy of the similar publication in the United States and found the price over there was 55.5 cents per foot. Those are the suggested retail prices. That means our price for copper tubing is 45 per cent higher than in the United States, yet basically we have the same companies producing it.

We don't have to buy the raw copper or the copper plate from the United States. We make it here. We pay Canadian wages here, not the wages they have to pay in the United States at the United States dollar level. Why should it be 45 per cent higher here than in the United States?

I found out, first of all, the price of copper produced in Canada is set at the United States prices. The publication, just in the last two weeks, shows the price of copper in the United States is \$1.01 a pound. The price of copper here in Canada, from the same company, Anaconda, is \$1.17 a pound. They have raised the price to the United States level even though, as I said, they use our natural resource, and they use our labour which they pay at Canadian rates. Yet they have raised that price to the United States level.

Even that doesn't account for it, so I looked into it a little bit further and I found out the price in Canada is equal to the price in the United States at United States dollars, plus the amount of duty that is levied if you bring copper tubing from the United States to Canada. Not only have they set the price at the United States level without any justification, but they have increased it to just below the total amount with import duty, so they don't get any competition from the imports. People here are paying 45 per cent more for their copper tubing than they are in the United States.

I went to a large plumbing firm in the Niagara Peninsula to buy some copper tubing just to get some comparison in prices. They charged me 80 cents a foot for the tubing. I just went in and asked for 12 feet of tubing. They charged me \$9.60. I went across the border into Niagara Falls, New York, to the Hysens Supplies Incorporated,

another plumbing concern of about the same size, and asked for 12 feet of copper tubing. He said they didn't sell it in 12-foot lengths. He said they sold it in 20-foot lengths. That's the smallest length they sell. I said: "Okay, I will take 20 feet." I said: "How much will that be?" He worked it out and said 20 feet will cost \$8.60. I paid \$9.60 for 12 feet of it here in Canada.

In neither place did they know who I was. I just went and asked for it off the shelf. Now, I admit in the United States they gave a 20 per cent discount to all retail customers. I am sure you can probably get that same thing in some of the plumbing establishments here in this province, but even if you do, it is still 45 per cent higher here than it is in the United States simply because the companies here have determined it will be at that level. Can anyone really say competition in something like that is working in our society? Of course not. The consumers here are just simply being ripped off.

The fourth item I want to mention briefly, Mr. Speaker, with regard to its effect on competition in the kind of a society we have, is the power of manipulation used by advertisers and sales techniques. It has become a science whereby they can sell to many customers and consumers, things they don't want, at a price which is exorbitant. I suggest this is an area at which we have to look rather closely.

There was a comment made in the Canadian Grocer magazine, which states: "For large-scale advertising to work, the buyer must be only partially informed about the nature of the product and the product must be complex enough so that precise evaluation is not possible." In other words, advertising must to some degree misinform us.

We are all aware of the type of packaging used to fool the consumer. As I say, the advertising and the packaging and all of these kinds of manipulations have reached the point where many of the consumers really cannot effectively judge which is the best buy when they go into the supermarket or any other store.

There has been some discussion in this House recently about the changeover to the metric system from the Imperial system being used to increase prices, because the consumer doesn't notice a little difference in the size of the can when it is changed from one to the other and the prices aren't changed. Our leader had brought in two cans. One was substantially less, I think it was down from 450 grams to 385, and the price had only dropped from 46 to 45 cents.

The Minister of Consumer and Commercial Relations a couple of days later got up and said he investigated it, and it had been a mistake on the part of the clerk in this particular store and the price should have been 42 cents.

The day after that took place I went into some of the stores in the St. Catharines area. The price wasn't 42 cent in the Penn Centre Miracle Mart; the price was 45 cents for that metric can. In Loblaw's Penn Centre it was 45 cents, in the Dominion at the Penn Centre it was 44 cents, and in the IGA in Thorold it was 46 cents. I want to say it was our leader who was right the other day and not the Minister of Consumer and Commercial Relations.

Mr. Warner: That same clerk has been into 23 stores.

Mr. Swart: Yes, they really move that clerk around.

Another way they get the consumer to buy what they want him to buy is by the location on the shelf. Evidence has been given on this at the hearings into the kick-backs on food and so on, and I am not going to make any quotes on that. That is all in evidence. That it is taking place is in the records of this House. If they want to move something, they put it a certain place on the shelf. It is all part of the manipulation of the consumer.

I suggest there is ample evidence, from what I said and from what anybody else can find if he wants to do an investigation, to show there are places where competition is not adequately controlling the price to the consumer. We have to look for some supplementary mechanism if we are concerned about the consumer, particularly those on the lower incomes.

[8:45]

The profit records are such that they show competition is not working. When last year Canadian corporations showed an increase of 25.6 per cent in profit, when this year—just on May 1—corporate operating profits were reported to be 53.3 per cent higher than a year ago, something in the competitive system as far as the consumer is concerned is breaking down badly.

Mr. Makarchuk: Poor little fellows. They are hard done by, aren't they? They have to collect some money for donations to the Tories and the Liberals for the election.

Mr. Swart: Yes, maybe that is one of the reasons.

Mr. Kerrio: How many people went bankrupt trying to run a business in this country? You don't even mention those, do you?

Mr. Swart: That is right. I am glad the member for Niagara Falls brought that up. That is part of the system.

Mr. McClellan: How many of them were builders, Vince? Or dealers in copper tubing?

Mr. Swart: We have reached a point in the system now in certain areas that corporate concentration has got so great that no little person can survive there any more. By one method or another those giants can force them out and then charge what they want to charge.

Mr. Warner: Repeat that for the member from under Niagara Falls.

Mr. Swart: We say in this party that there has to be a fair prices commission established by the government of this province as well as by the federal government. I think we all know that constitutionally the province does have the power over retail prices. There is no question about that. When we have a province of this size and the population we have—a bit more than one third of the population of Canada—any fair prices commission here which deals with retail prices and consumer prices can have a major effect all across Canada, but have an effect in great depth within this province.

There was a debate in this House just a week ago on a resolution by my colleague, the member for Hamilton Centre (Mr. M. N. Davison), asking the government to establish this. It was a good resolution; it made all kinds of sense. Since that time I have had the opportunity to read over the comments made by some of the speakers in this House—including yourself, Mr. Acting Speaker (Mr. MacBeth)—and also the comments which were made on the proposal in the federal House by the national leader of the party with which I am proud to be associated.

The Liberals in the federal House gave exactly the reasons the Conservatives in this House gave for not wanting to have a fair prices commission. If I may say this while you are in the chair, Mr. Acting Speaker, you made a comment—I happen to have it here—that it sets up another bureaucracy, creates more cost to the people. They gave exactly the same argument there. In fact all of the arguments were totally duplicated between the Liberals in Ottawa and the Conservatives in Ontario.

Mr. Makarchuk: Tweedledum and Tweedledee.

Mr. Swart: I want to say that with all the conviction they have, those arguments are not sound enough to prevent the creation of

a fair prices review board. The evidence in need of it far overwhelms the arguments against a fair prices review board.

We say this fair prices review board does not need to be a big bureaucratic body; there is no need for that. In the United States John Kennedy effectively controlled the price of steel. He ordered a rollback in the price of steel because he had the power to do it. He didn't have a long investigation into that. He just knew that the profits were excessive and he said, "You must roll back the price of steel in the United States."

We could set up a fair prices commission in this province with a very small number of people. We're not going to control a great number of prices. The very fact that they are there will deter some of these companies from the unjust price increases which they have assessed against the people of this province.

Finally I want to say that there is no other way open to us at this time but to have some form of a prices review board which can examine those increases which appear to be unjust and if they find them so, to roll them back. I point out that even this government has moved away from the pure competitive system. When it was forced into it on the rent issue, it did pass rent review legislation.

Mr. Warner: They were dragged kicking and screaming.

Mr. Swart: The Treasurer (Mr. F. S. Miller) stated just a few days ago that he wouldn't think of abandoning it. He said 80 per cent of the people were in favour of it. I suggest to the government if it has a prices review commission it will be able to have the same beneficial effects. I regret very much that it was not even mentioned in the budget speech.

Mr. Philip: It was too bad they didn't have the same heart for the condominium people.

Mr. Lane: Mr. Speaker, I would like to take this opportunity to congratulate the Treasurer on his first budget since becoming Treasurer of this great province. I think that most people will agree with me when I say it is a good common-sense budget and certainly cannot in shape or form be considered an election budget.

The removal of the succession duty tax as a form of government income was a surprise to many people. I agree with the Treasurer that this province will gain more than it will lose by deleting succession duties. A great deal of investment money from Ontario has been going into other provinces and countries that have no succession duty tax. Many of these investors would not have been required

to pay succession duties because only about three per cent of Ontario estates have been subject to it.

The amount collected from this source this year, had it not been deleted, is estimated at approximately \$28 million. However, many people had visions of their businesses being liquidated to pay succession duties. As I have already pointed out, because of this concern they were investing the bulk of their money in places other than Ontario. Now it will no longer be a cause for concern and should help improve the local investment and will certainly result in more jobs and a better economy.

Mr. Philip: I don't know what you're talking about. All my capital gains are made in Ontario.

Mr. Lane: I was indeed surprised to hear the member for Scarborough-Ellesmere refer to the budget in his address on this matter as a portrait of failure. I really do not know how the honourable member or his party could expect to have any credibility within the rank and file throughout this province if they class this fine document presented to us by the Treasurer on the evening of April 10 as a categorial failure. I honestly believe that many people in Ontario will examine this budget and realize what a man of vision the Treasurer is. I think this feeling will be proved to be right in the weeks and months ahead.

I think the Small Business Corporations Act that the Treasurer proposed in his budget and is now before the House in the form of Bill 49 will result in bringing out many local investors and will improve job opportunities in—

Mr. Philip: There will be more internationals taking over our companies.

Mr. Lane: —our economy and will in most cases prove profitable to the investors.

Mr. Makarchuk: The Treasurer says it won't.

Mr. Lane: There should be a great increase in the percentage of Ontario investment in our own province.

Mr. Makarchuk: Didn't you see the interview in the Globe and Mail? He said it won't. He didn't know what it would do.

Mr. Lane: The Employment Development Fund for Ontario will also prove to be the right way to go. We have examples of how this works in the automotive and pulp and paper industries. These are just a few of the items contained in the budget that will prove to the people of Ontario that our Treasurer is indeed a man of great vision.

I was very pleased with the emphasis the Treasurer placed on the opportunity for youth, not only for the \$79 million expected to provide 70,000 jobs for our young people but also for the opportunities to train, or in some cases, retrain, in areas that will provide long-term employment. A good example of this is the hospitality industry. This industry now provides jobs for over 400,000 people in this province. An incentive offered in last year's budget and again this year will provide opportunities for more jobs in this industry. I could go on and give other examples.

I have mentioned some of the items in the budget that will improve the economy and provide jobs.

Mr. Kerrio: Tell us about that gallon of red ink.

Mr. Lane: While we are all very concerned about unemployment, I think we should recognize the main reason for it is the fact there are many more people in the labour market than ever before. Unemployment is not caused by the loss of jobs. In fact, in January 1979 there were some 135,000 more people working than there were a year ago. This figure varies from month to month. But it is an encouraging one, and as far as I am aware it's at an all-time high. Very few of the 135,000 new jobs were created by government. In fact, Ontario, in the same month, had about 2,600 fewer civil servants than it had a year before.

Mr. Eakins: Which department is that in?

Mr. Lane: Most individual Canadian businessmen are optimistic about 1979—

Mr. Eakins: It sure isn't the Ministry of Industry and Tourism.

Mr. Lane: Automobile manufacturers, who produce one job in six in Ontario, say it will be a better year than last year. The pulp and paper industry is currently running flat out.

Mr. Philip: That's why you give them more tax concessions.

Mr. Lane: The lumber business has been good. The price of metals and the demand for them has improved, so I think this is good reason for us to be reasonably optimistic about the future. I always like to be completely honest.

Interjections.

Mr. Lane: For the benefit of the members in the House, Mr. Speaker, I would like to repeat that. I think it was lost in the noise coming from across the way. I always like to be completely honest.

Mr. Eakins: Always nice to have a little humour in here.

Mr. Lane: In order to continue with my—
Interjections.

Mr. Lane: If you would listen to me you would hear something.

I think it is fair to say I should discuss some items in the budget that I do not like, as well as expand on those I can give my whole-hearted support to.

I was sorry to see the increase in the gasoline tax. I know there has been no increase in this tax for a number of years. I also know revenues from this source fall far below that required for spending on highways, roads and related services, and each year the cost of building and keeping highways in a good state of repair is increasing.

Mr. Philip: Just another slap against the trucking industry.

Mr. Lane: However, any increase in fuel taxes really hurts us in the north country. Not only must we pay the increased tax but we must drive farther and use more fuel to do business in the north than any other place in this province.

Mr. Eakins: What is your licence fee up there?

Mr. Lane: I'm going to tell you about that in a minute.

Many of my colleagues will ask me, when I mention this problem, what my complaint is when northerners only pay \$10 for a licence plate. I reply that many of us drive 40,000 or 50,000 miles a year in the north to carry on our business, so in reality the \$10 licence does not recognize the cost of driving. It does, however, recognize the distance problem. At some point, this government has to come to grips with this problem.

As you will recall, I had a private member's bill before this House last year. The bill was defeated. But I am putting the government on notice that if some way is not found to give northerners a better deal on fuel, I will be back with another bill in the near future.

[9:00]

Mr. Philip: They don't listen to you on that any more than they listened to your excellent ideas on the regulation of the trucking industry.

Mr. Lane: Another matter of concern to me in the budget was the need to increase Ontario Health Insurance Plan premiums. I admit that it is a very modest increase, and goodness knows we are all aware of the increased cost of health care. None of us wants our present level of health care to be

downgraded in any manner, but I do know that many people find the cost of OHIP premiums a real hardship. I hope we can find some money from other sources to help pay for the increase in cost and not have to continue increasing premiums.

Another criticism that I direct to the budget is the lack of incentive to prospectors and the lack of overall interest in the development of new mines and the discovery of new resources in this province. There was considerable benefit in the budget for small mines now in operation; however, I feel there could have been more of an effort to bring about more new development in this field.

My support of the Treasurer in his first budget far outweighs my criticisms. As I said at the beginning of my remarks, in his first endeavour the Treasurer deserves congratulations on a very good budget.

Mr. Kerrio: Mr. Speaker, I am pleased to join in this budget debate and, to ease the budgetary problems of the people of Niagara Falls, I have put a brochure in every member's mailbox, encouraging them to come down to Niagara during our blossom festival. It's the 20th anniversary of our festival, and it runs from April 29 to May 21. When members look at the schedule of events, they will find that people from all across the province, and any other visitors who might visit our city, will be well received. We really do treat you royally in Niagara, and I invite all members to come down at their convenience.

Mr. Speaker, I will address my remarks to two or three areas of the budget which I am particularly interested in. The areas that concern me most have to do with creating an atmosphere in Ontario that would have us training our own tradesmen to become good producers and, indeed, to do that with our own forces so that we do not have to make stop-gap programs for the short-term involvement of members of our labour force, whether young or middle-aged.

I say that with a great deal of concern because, having been on the select committee on Ontario Hydro affairs and having listened to the kind of expertise that has been developed in the technology of this particular area of hydro development in terms of the Candu reactor, it's a sad state of affairs, when it takes seven, eight or even 10 years to get a nuclear reactor on stream, that we have not seen fit within our educational system and within Hydro itself to train the people to man these plants which we take so much pride in building.

Very recently, it has become very obvious that we are not only not training those people where we have direct jurisdiction, but

in many related areas we are also still advertising overseas to bring people to this country in this day and age. There has to be some reassessment of this whole program as it relates to training tradesmen and redirecting our education system so that there is not the elitist type of involvement where we are training people to be professionals and not paying much attention to the people who are really going to make this country run with the skill that we would develop in their hands.

My main theme tonight relates to the environment, and it is very appropriate that the Minister of the Environment is with us this evening. I would like to say to him that it is my impression, living in Niagara Falls and next to the border, that we have a very serious problem as it relates to that specific area. There is a very good reason for that.

People who live in the area of Love Canal and Bloody Creek in upper New York state, an area that is among the largest producers of chemicals in North America—yes, in the world—somehow have resigned themselves to the fact that because they produce these chemicals, they should be willing to accept their area as a dump site. If the minister is listening, because they have that frame of mind and are drawing dangerous chemicals from all parts of North America, they don't dispose of them but rather bury them and get them out of sight within a very short distance of one of the great waterways in the world.

I would like to share with you a little bit of information that came to my attention when I visited with some people in Lewiston, New York, who have come together to fight their government and those people in charge of their environment. It seems a great pity that citizens, housewives and workers have to band together after hours to form a committee to be certain these chemical plants don't pollute our environment. Here is a sad, sad fact.

In meeting with those people, I was extremely well received. They realized I wasn't a politician going into a jurisdiction where I didn't belong, but that pollution knows no bounds and I was very welcome if I was able to help their cause. They enlightened me in this way.

When George Kerr was Minister of the Environment we were led to believe PCBs were taken from places where there was a danger in the disposal of them, through some kind of incineration or safe disposal in Niagara Falls, New York. Let me read something to you which would make you think differently.

In the environment violation by a company attempting to put in a landfill site in Niagara Falls, New York there is a photo and a recorded date. "During September 1977, 24 trailer loads of dirt upon which PCBs had spilled four years ago in North Bay, Ontario, were hauled to Lewiston, New York, and dumped in landfill number six."

It is a terrible tragedy that we could take PCBs and while the people of Ontario thought they were being disposed of, they were shipped across the border and, lo and behold, dumped in a site very near the Niagara River. The sad part of this was, if landfill was going to be the accepted way, until we had a better way of disposing of PCBs, there were in all probability many areas in heavy clay far removed from any international or large-flow water bodies like Niagara to dispose of those PCBs. It only came to light because of the involvement of these people in Niagara Falls, New York, who have seen fit to band together to form a group called Operation Clean to try to get those people responsible for the environment of New York state to toughen up on their laws not to allow these kinds of involvement in that area.

Imagine a span of 30 or 35 years, from a time when there was commercial fishing in the Niagara River, licensed fishermen with traps catching up to one ton of pickerel each night in each trap to some 30 years later when not a fish of that description is left in that river.

For some reason, those people thought we were only polluting that small part of the environment. If you have read a little of Cousteau's work as it relates to his travelling all over this globe into the far reaches of the Arctic and Antarctic, you will find pollution is reaching every corner of the universe. It is a tragic thing because in this area we have to be among the worst polluters in the world.

I think the minister is a sincere individual and tries to do a job. He has to face the fact that we have a neighbour who is not so inclined and is accepting many dangerous chemicals from all over the United States of America.

I'd like to read into the record a letter that I received from a citizen of Niagara-on-the-Lake, the Deputy Premier's (Mr. Welch) constituency.

Mr. Eakins: Where is he tonight?

Hon. Mr. Elgie: He is down in his riding trying to defeat you guys.

Mr. Kerrio: I might say at the outset that he has agreed with myself to oppose the granting of a permit to SCA Chemical Waste Services in the town of Porter, New York.

I'm happy to join with him to be put on the list. I should read this letter into the record. I've written a letter to Mr. George K. Hansen, chief, permit section, Environment Protection Agency at Albany, New York. It reads:

"Dear Mr. Hansen:

"I oppose the granting of a permit to SCA Chemical Waste Services Incorporated, town of Porter, New York, without the benefit of a hearing. The reason for my opposition and concern is that my constituency bounds on international waters and the quality of those pollutants being discharged into the Niagara River, the effect on the environment as well as the transportation of toxic wastes through residential areas, and possibly entering the USA from Ontario, are very important to me and my constituents.

"I am anxious to participate in a forum which will discuss the problems and, hopefully, I will be able to help in some kind of resolution. I request to be noted as an interested party to an adjudicatory hearing which will be held in the evening at Stella Niagara in Niagara Falls, New York."

I think the Deputy Premier has sent the same kind of letter. That was in response to this appeal by those people and those citizens, not only on the US side but on our side as well. I have a letter here dated March 18 from Niagara-on-the-Lake.

"Dear Mr. Kerrio:

"I have read in the Niagara Falls Review of your concern over the proposal of SCA Services Incorporated, a chemical waste disposal company located in the town of Porter, New York, to dump two million gallons of treated aqueous waste daily into the Niagara River. You are no doubt aware of the outrage felt by the citizens of this area." If the minister recalls, I posed a question to him as it relates to this concern. "The New York State Department of Environmental Conservation has made a tentative determination to approve the application—"

This is the part where I want to refer to the fact that they are not stringent enough in Niagara Falls, New York, and New York state, because the state of New York has given that company tentative approval unless the public voices opposition to it, which is grossly unfair. To go back to the letter:

"The New York State Department of Environmental Conservation has made a tentative determination to approve the application for modification of the state pollutant discharge elimination system permit. Our own Ontario Ministry of the Environment seems to feel there is no danger of pollution to the town of Niagara-on-the-Lake's water supply. We do not agree with this. Our

concern is not only with the large volume of discharge—" and this is where it becomes significant—"but with the contents containing such things as various metals, arsenic, cyanide, phenol, hydrocarbons, polychlorinated biphenols and many more.

"We are also concerned because of the past history of environmental violations by this company. They have been fined on several occasions, the latest, just recently, a \$15,000 fine for the mishandling of PCBs. We do not believe that a company with such a history should be allowed to discharge treated aqueous wastes into an international waterway, especially when this discharge may adversely affect the health and welfare of so many people downstream.

"We are also concerned because SCA Services will be allowed to monitor their own operation. Petitions have been circulated in this area, and we enclose copies of these petitions."

As I said before, I'm gravely concerned that while the minister may have been given to feel the effluent that's going to be discharged from that treatment plant is safe to our environment, we have the history of a company that has been deceitful, has been fined and has been dumping chemicals with hoses and other ways at night, to the extent that they cannot be trusted.

[9:15]

That leads me to my final point. I would like the ministry to consider something that has been studied in the United States. In fact, I have been disappointed in some of the reports we get from our government, but you haven't seen anything until you have seen some of the American proposals. One was commissioned by Senator Edmund Muskie; and I am certain he did not get into upper New York State, because the book would have been four volumes thicker. It has to do with a study on pollution taxes, effluent charges and other alternatives for pollution control. It's an area we have to investigate and make some kind of determination so the phrase that has been used in years past might become a reality; that is, "The polluter will pay."

Mr. Eakins: Who said that?

Mr. Kerrio: Golly, many of the ministers said it.

Mr. Ruston: The main one was the member for Burlington South (Mr. Kerr). The former Solicitor General.

Mr. Samis: The \$25-million man.

Mr. Kerrio: While we may be well intentioned, I am afraid we have a neighbour

that may not be, and we must take a very keen interest in what's happening there. We may not have the support of politicians over there, but we certainly have support of the citizens in every sense of the word; they are very concerned, and they have a very good right to be.

When the minister said today there will be no Love Canals in Canada, I would hope that would never happen; and it should not deter us from going across the border and helping in any way we can to suggest to those people that it's not good enough to take PCBs from North Bay, Ontario, just to get them out of Canada, and to bury them in Lewiston, New York, where they are going to leach into the Niagara River. We have to destroy those chemicals.

We have to see to it that every chemical that is put on the market to perform some kind of function is followed right through the function and ultimately, when it is no longer of any use, it must be destroyed. It should in no way be put into the environment for some future generation to have to cope with. So I say, while the minister is well intentioned—

Hon. Mr. Parrott: Mr. Speaker, would the member entertain a question?

Mr. Kerrio: Yes.

An hon. member: Order.

Mr. Samis: What about parliamentary procedure here?

Hon. Mr. Parrott: I wonder if the member would put on the record whether or not he thinks high-temperature incineration is a method of destruction for PCBs? I would be interested to know his response.

Mr. Kerrio: Yes, I would like to respond to that question, and I would like to share something very timely with the minister. While that has been the accepted method, in my perusal of this concern that the Operation Clean group had in Lewiston, New York, I met with a very knowledgeable chemical engineer, just retired, who explained to me that they are intimidated by some of the plants they work with and prevented from making a high-profile resistance to the dumping of the chemicals. But he also shared with me something very significant and important. He said, that, while it was accepted until now that high-temperature incineration was the only method of disposing of PCBs, very recently—and I will send the information to the minister—there had been a breakthrough in the United States where they are talking about microwave destruction of PCBs. He was very enthusiastic about the possibility

and potential of using that method, because it had a very low ratio of energy demand.

Hon. Mr. Parrott: At two pounds a week, it would take us 1,000 years to get rid of it.

Mr. Kerrio: Fine. So we are on the same wave length.

Hon. Mr. Parrott: Yes, but it isn't ready yet.

Mr. Kerrio: The minister was testing me, and I hope I came through the test.

Hon. Mr. Parrott: You came through but you didn't pass.

Mr. Kerrio: In any event, the Love Canal and Bloody Creek are only two examples of what is leaching into the Niagara River. The great sadness of the whole thing is that that body of water has a flow of somewhere between 150,000 cubic feet per second up to 250,000 or 275,000 cubic feet per second, and what makes that change is nature herself. When we get southwesterly winds it carries the water down, builds the head up at the lower end of the lake and we get increased flows. Hydro has taken advantage of that, because when the flow increases they close the gates, send the water through the tunnels and put it in the man-made lakes, and we have a great capacity to generate a tremendous extra amount of power without destroying the beauty of the falls.

In addition to that, because it has such a tremendous flow, it is so easy to take advantage of the diluting ability of that great flow to dispose of many chemicals, and we have what might be really described as a drainage ditch for the Great Lakes. The effluent discharges come from Cleveland, Detroit, Buffalo—some of the big communities on the other side are chemically involved, as well as having large numbers of people live there, so we have a tremendous job ahead of us. Very recently a statement by the International Joint Commission on water quality said that chemical dumps on both sides of the border must be found and cleanup must become top priority with both governments.

Now, while all of that effluent is dumped into that river, we now have an applicant attempting to dump some 100,000 to 200,000 gallons a day and who expects us to accept that without any kind of resistance. I don't think that company is going to get the permit, and I will give you a good reason why, Mr. Speaker. The second largest producer of chemicals in America happens to be in New Jersey and this same company has been refused a permit for this kind of disposal in the state of New Jersey. The people in Lewiston are ecstatic about this. The people there feel

that that is enough evidence, based on this company's record, that they shall not be given an okay to go ahead there. I want to add that the company that was going to put this in was going to be left much on their own technology, and that is a real concern of mine.

I would like to just close by reading just a little bit from a statement that I have prepared because I would like to see if the minister might consider this as a way of dealing with this problem.

Goods formerly free, including land, air and water, are becoming scarce and unusable. I am sceptical as to whether present economic institutions will solve our ecological problems; therefore, some form of intervention by the government is required.

When we realize the difficulty of enforcing environmental regulations, it becomes clear that only some form of effluent charges or pollution taxes, by which companies pay to pollute, will be effective. The charge or tax has two distinct advantages over regulations. First, it stirs an economic incentive for adopting pollution control measures. Second, a tax system represents a more powerful enforcement technique.

If these taxes or charges are so advantageous why have they not been formulated and implemented? I suggest that there may be some politics involved.

Hon. Mr. Parrott: No.

Mr. Kerrio: Effluent charges or taxes have not been effectively tried in Ontario, but I say they would work. However, there are enormous political obstacles to overcome.

Effluent charges would be assessed to industrial polluters. The problem is that many legislators are supported by constituents who are affiliated with the industries that pollute. When campaign time rolls along some would be at a disadvantage to propose this kind of involvement.

Additionally, polluting industries are fully aware that effluent charges or taxes would completely eliminate their current political and delaying tactics towards regulation and are, therefore, wholly against such a system.

I strongly suggest that the Minister of the Environment, the Minister of Revenue, the Minister of Treasury and Economics and the Minister of Intergovernmental Affairs should be involved in formulating and implementing such a tax scheme. The government of Ontario can set an example for the rest of North America by instituting such a system.

I wonder, is this government willing to consider this type of solution to our environmental problems? I am confident that the

revenue from these taxes can serve a useful purpose in this province, providing not only incentive to develop pollution control devices but as a way of making the polluter pay.

Mr. Samis: Since I did not get an opportunity to participate in the throne debate, I want to take this opportunity, first of all to congratulate you, Mr. Speaker, on the fine job you have been doing for us in the House; and secondly to extend personal congratulations for the excellent manner in which you served as leader of our delegation recently on the exchange visit to the good people of Barbados. I thought you conducted yourself with aplomb, dignity and a great deal of authority. I know the government officials there were duly impressed, as was the good member for Essex North (Mr. Ruston) and all the other members of our delegation.

This is the first time I have participated in a budget debate where the author of the budget was not the duke of Kent, the famous and lamented Darcy McKeough—lamented by the far right I am saying, of course. This is the first time I have had the opportunity to speak on a budget by the new Treasurer. I noticed in the *Globe and Mail*, I think it was on the 14th of last month, he said this budget essentially was a political document done in the context of minority government. All I can say to that is, heaven help us if that side ever gets a majority if this is what he can produce as part of a minority government.

In short, the government socks it to the average man and woman in Ontario while it panders to the well-to-do. It is a typical high Tory budget, although I noticed one journalist even referred to it—are you ready for this, Vince?—as a Social Credit type budget. I am not sure if my friend the good member for Niagara Falls would agree with that, but it is certainly an obvious right-wing budget in its tone and underlying philosophy, and I notice the Treasurer openly proclaims it as such as he speaks to various groups around the province.

Darcy McKeough was certainly a voluble, high-powered, brazen exponent of small "c" conservative economics. But even in his least expansive, least arrogant moments, never did he talk about such fantasies as nurseries of contented capitalists, or some fanciful Ontario version of Milton Freedman or Ronald Reagan's utopia in the manner that our current Treasurer seems to indulge. In fact, this Treasurer almost comes across as some sort of recycled dogmatic fiscal fundamentalist.

The style of the budget is a little different from that of Darcy's in that instead of hitting the little man with one mighty wallop of a

tax increase in one main area, this one achieves the same end by jabbing the taxpayer in a series of vulnerable areas. Obviously the member for Muskoka (Mr. F. S. Miller) is no Darcy McKeough but he can certainly inflict as much damage with his repeated jabs at the taxpayers' weaker parts as Darcy did with his alleged knockout punch.

In terms of the taxpayers in my riding and I suspect in most areas of the province, their reaction to this budget was obviously based on what affected them in the budget. Most people, obviously, judge a budget by the taxes, whether they go up or down; in this sense, obviously, this budget was a bad news budget for the man on the street.

Most people, I think, are resigned to increases in the alcohol and tobacco taxes and regard them as virtually the inevitable price of indulgence; but the same people are angry and upset when they see the Davis government is raising the gasoline tax, raising the already obscenely high cost of OHIP premiums, and worst of all imposing a brand new telecommunications tax, especially on cablevision.

What really angers people, and rightly so, is the lack of equity and fairness in this budget. The little guy, the man who works in a factory or plant or office, the small businessman, the retired person, the paper worker, the textile worker, the chemical worker, the office worker, the cab driver, the hospital worker, the maintenance worker, the school teacher, the fireman; none of these people would seriously object to a tax increase if they knew that the burden of the tax increase was going to be equally shared by all sectors and classes of society. But obviously that is not the case in this budget and that is what is so wrong with this Miller budget.

[9:30]

Let me illustrate that point. While we increase the most expensive medical care premiums in all of Canada a further \$24 a year or five per cent per family, at the same time we are giving away \$100 million to the pulp and paper industries in this province, despite the fact that they had an average increase in their profits last years of 94 per cent. While the average worker received an increase of only six per cent in wages last year, the pulp and paper companies increased their profits by 94 per cent, and in some cases by as much as 150 per cent. Who do we take the money from? The worker who gets a six per cent increase. Who do we give the money to? The companies that average a 94 per cent increase.

While we impose a brand new tax on cablevision we completely remove the succession duties on estates of over \$300,000 in value. In a town like Cornwall, where most people now have cablevision, that means this new tax will hit the vast majority of the residents, while the removal of the succession tax will benefit only a tiny minority of our citizens.

While we impose a two cents per gallon tax on the average man in terms of gasoline and inevitably drive up his cost of living at the same time, we reduce the mining taxes for poor little enterprises like Inco, Falconbridge, Denison Mines and Rio Algom, some of whom are already the worst examples of corporate welfare. It's almost staggering that we can raise taxes on the little man, yet companies like Denison scored a profit of over \$1 billion on the uranium deal and we're giving further concessions. We gave them what I think was a \$300 million interest-free front-end loan at the beginning of it all. So here we are: Steve Roman getting our money interest free, plus further tax concessions, and we hit the little guy on the street.

While we again increase the cost of licence fees and the cost of such essentials as milk, bread, hydro, this government proudly announces it is going to give away another \$200 million to the manufacturing sector in the name of employment, rationalization and modernization.

We see in the paper just this week that milk has gone up four cents; we hear on radio and TV today that Hydro wants an 18 per cent increase for next year; and we all recall that automobile licence fees went up earlier this year.

Is it any wonder the average taxpayer, who is already fighting a losing battle with the cost of living, is so critical and so cynical when he sees such glaring and obvious inequities in the budget? He sees his own government in Ontario fuelling the fires of inflation while at the same time telling the taxpayer to lower his expectations and to exercise greater restraint and greater self-discipline.

Yesterday my notice was caught by a little item in the Toronto Star entitled, "Family Taxes Cost More Than Food." I would like to quote very briefly from it because I think it has a lot to say.

"The average family spent more paying personal taxes in 1976 than it did on food and medical care combined. The federal agency, Statistics Canada, discovered the average family used 18.7 per cent of its budget to pay personal taxes. Food expenditures were 16 per cent, shelter 15, clothing seven, trans-

portation 12.3, medical and health two per cent."

Those were the latest statistics, 1976, and taxes were taking the greatest single proportion of a family budget. Since then in Ontario we know tax increased in terms of OHIP, sales tax, retail taxes. Imagine what that figure would be today for an average family earning \$15,000. As if it was the worker who was causing the price of hydro, the price of gasoline, home heating oil, medicare, meat, produce, canned goods, et cetera, to go up. That is what makes it so maddening to the taxpayer. He's a victim of the rising cost of living, yet when he tries to catch up—not keep abreast but merely catch up—with those increases, he is told that he's the cause, he's the source of the problem. What a farce. What a travesty.

I would like to turn my attention now to some of the specific taxing policies of the budget and suggest some alternatives.

First of all we have the infamous increase on OHIP premiums. Ontario charges the highest premiums in all of Canada, and yet in the past two years this government has raised those premiums by over 62 per cent when they were already the highest premiums in all of Canada. Now we are being asked in this budget to raise them yet another five per cent. I've heard of punching a guy in the belly, I've heard of kicking someone when they're down, but this is tantamount to gouging his eyes and scarring his face.

We're hitting at people who are already paying the highest medicare taxes in all of Canada and here we are telling them to pay another five per cent on top of that. This is all at the same time the Minister of Health is continuing to cut back on hospital beds, closing some hospitals reducing some services, and when more than 18 per cent of our doctors have opted out of OHIP and are actively charging OMA rates which are at least 30 per cent higher than the OHIP rates. We all know that extra 30 per cent comes from only one place—the pocketbook of the same beleaguered and now bloodied taxpayers. It's no wonder a family man earning \$15,000 in Ontario pays the highest taxes in all of Canada, if one includes all the taxes he really pays at the provincial level.

Now, to make matters worse, we read in the papers the OMA wants to inaugurate the nefarious practice of double billing in this province. In other words, they want the advantages of OHIP, plus the advantages of a second billing. I don't want to go into this in any great detail today, but let me say I certainly hope the Minister of Health is going to display more guts and more backbone in

dealing with this demand than he did with the recent credit card question. I believe he has a solemn duty to stand up for the taxpayers of the province and fight for their interests on this issue, instead of caving in, as he did on the credit card issue.

I notice this issue has aroused quite a bit of controversy in the Toronto press. Even the Toronto Globe and Mail and the Toronto Star have combined today to condemn the OMA for its demands. We in this party believe very strongly in the need for medicare, the need for a universal system, where everybody has accessibility. We will fight any such demand for double billing.

I notice the party to my right, the Liberal Party, has endorsed the same position. The Minister of Health has said the same thing. I point out the Toronto Star has said the same thing. The Globe and Mail has said the same thing. There's virtual unanimity in this House that we cannot afford any system of double billing. It would be a retrograde proposal, unacceptable to the vast majority of the people of Ontario, and it would deprive patients in Ontario of their just rights to have adequate medical services.

Getting back to the tax itself, our party has made its position clear; namely, the premiums should be abolished and the program should be paid out of general tax revenue, as it's done in six other provinces.

I notice that the Economic Council of Ontario—certainly no hotbed of NDPers or social reformers—spoke of the fundamental inequities of the OHIP system.

Mr. Sargent: Got to look after their friends, George.

Mr. Worton: Excuse me, could we have a quorum call, please?

Mr. Speaker called for the quorum bells.

On resumption:

Mr. Speaker: The member for Cornwall may continue.

Mr. Samis: I'm glad to see such a vast audience, especially considering the competition this evening. As I was saying earlier in my speech, referring to the recent report by the Ontario Economic Council, Update 1979, I'd like to quote from their comments on the whole system of OHIP premiums. They point out what they regard as seven fundamental weaknesses. I quote from them in point form:

"Premiums impose a disproportionate burden on low-income families. Although the poor are exempted, the near poor pay as much in premiums as do others. However, their judgement that a certain tax—for this purpose, we may treat premiums as taxes—considered in isolation is regressive is not

enough to condemn it. The equity of the whole tax system is what matters. Moreover, as a result of inflation, the premium system is now, despite recent increases, a less regressive feature of the whole system than it was earlier.

"Finally, a significant fraction of the total premium income of the province is paid in the first instance by an employer for their employees.

"A uniform family rate means that a family of two pays the same rate as a family of eight.

"Premiums are relatively costly to administer.

"Premiums are not likely to have a significant impact on patients' use of health services because they're not experience-related.

"Premiums do not promote consumer awareness of the costliness of health care because the revenues collected through them are not earmarked for health-care purposes and represent only a small proportion of total costs incurred. Indeed, they may create a false impression in the minds of the public that those costs are lower than, in fact, they are.

"Most of those eligible for full or partial premium assistance have not applied for it, being unaware of their eligibility or of the application procedure involved. The system has been, so far, unable or unwilling to enforce universality, though it is likely that this deficiency could easily be corrected.

"Rates require periodic upward adjustment, if the revenues deriving from premiums are to continue to be pegged to a fixed ratio of total health costs incurred. Moreover, the exemption levels for those receiving full or partial assistance in inflationary periods, also need adjustment on a periodic basis."

As for the new taxes contained in the budget, namely, the telecommunications tax and especially the cablevision tax, which I find regressive, deplorable and unfair, I'd like to say that obviously the purpose of the tax is to raise money for the government, which is legitimate. But in the case of the cablevision tax, we're talking about a princely sum of \$7 million.

Everyone knows that once a tax is imposed in any society, it becomes a reality. There is only one direction in which that tax can go, and that is up. That's been the history of the income tax, the customs tax, the excise tax, the retail sales tax and virtually every other tax imposed on the consumer. As sure as we're here in the Legislature tonight, I can guarantee that once the government gets its foot in the door on this tax, it will go up. I'd be willing to bet that within three years

it will be at least double what it is tonight, if we pass this tax.

[9:45]

Instead of taxing the senior citizens and the working men and women who are overtaxed as it is, I would strongly suggest that we scrap this nebulous tax altogether and raise the capital tax rate on the wealthy behemoths of high finance, which keep recording fantastic profits every year—namely the banks—from a mere 0.6 per cent to a full one per cent, instead of the proposed 0.8 per cent. Goodness knows the chartered banks can certainly afford to pay the extra 0.5 per cent. The people of Ontario would regard this as far more equitable and meaningful if we did make such a change. We, in the NDP, would support such a change and I dare say the overwhelming majority of the citizens of Ontario would do so as well.

One tax I would like to discuss briefly is the portion of retail sales tax that grants a maximum \$700 rebate on solar heating equipment. My point is that while I support the rebate, I believe it would have been far better had we introduced a decent home insulation program that would have reached far more people than this measure. Such a program, as proposed by this party over two years ago, would have produced over 8,000 jobs. It would have reduced the heating bill for the average consumer. It would have reduced Ontario's overall consumer demand for heating fuel and would have been an excellent long-term investment by the government of Ontario.

In terms of the mining tax reduction and the abolition of succession duties for estates of over \$300,000, I would like to state briefly in the context of the tax impositions of this budget, they represent another fundamental inequity in the budget. For us to reduce taxes on Denison mines after the colossal profit it made on the recent uranium deal with Ontario Hydro, and to grant further concessions to a company like Inco with its abysmal pollution record, its callous investment policies and its contempt for the people of Sudbury, verge on the obscene and repulsive. It certainly makes a mockery of any lip service ever paid to the concept of equity and fair play in our tax system.

I would like to turn my attention to the strategy and philosophy underlying the budget because there are two basic premises or concepts with which I take strong issue.

First of all, implicit in the government's creation of the Employment Development Fund, alias the corporate Wintario program, is the idea that whatever ails our economy

can be remedied by healthy giveaways of public funds and there need not be any substantial or even minor structural changes in the shape of our economy. In other words, we accept the economic status quo, we tinker with it a bit and we hope things will run better or more efficiently. That approach towards the economy I just can't accept.

When I look at Ontario's economy and see how much of our economy is foreign owned, I cannot accept a situation where we exist in a neocolonial economic status. When we see that over 55 per cent of our manufacturing industry is foreign owned, 82 per cent of our chemical industry, 99 per cent of our rubber industry, 74 per cent of our electrical industry and over 90 per cent of our automobile industry, it is no wonder our research and development record is one of the worst in the entire industrialized world; or that we lead the industrialized world in the importation of high technology goods; or the Canadian deficit on fully manufactured end products is \$12 billion; or our percentage of the GNP spent on R and D has actually declined in the 1970s; or that from 1951 to 1976 the percentage of jobs created by the manufacturing sector has actually declined by 25 per cent; or that from 1970 to 1975 our share of the world export market has declined from 5.4 per cent to 3.8 per cent, a decline of almost 30 per cent; or that high technology foreign manufacturers have increased their penetration of the Canadian market from 32 per cent in 1964 to 52 per cent in 1975. I could go on, but the point is very simply the problems are structural and they are fundamental.

The Science Council of Canada has convincingly documented how foreign ownership of our economy has had a crippling effect on the development of our technology, our own R and D, and our own overall competitiveness in the world market.

I notice on a more regional level the percentage of the workforce in manufacturing declined in the 1970s, if I look at the statistics put out by Statistics Canada. I emphasize these are the StatsCan larger-firm data statistics for the cities of Belleville, Brockville, Cornwall and Kingston. The percentage of the workforce employed in manufacturing, from September 1971 to September 1978 declined in Belleville from 63 per cent to 57 per cent. In Brockville, we are talking of a decline from 75 per cent to 71 per cent. In Cornwall, we are talking of a decline from 64 per cent to 58 per cent. In Kingston we're talking of a decline of 47 per cent to 36 per cent.

Those figures, even in eastern Ontario, the least industrialized part of the province, again clearly illustrate how the manufacturing sector is not creating the jobs that it used to. The Treasurer and the Minister of Industry and Tourism (Mr. Grossman) do not speak to these realities. Instead they tend to gloss it over and say that the government must only act at the behest of the private sector and only act to make the existing structure of the private sector healthy again. I cannot accept such a simplistic and defeatist policy.

There's no mention or no stated intention of aiming for any type of economic or technological sovereignty. There's no new or meaningful thrust to stimulate Ontario-based research and development by the private sector in this budget. There's no commitment to use the leverage of government to get us out of our truncated colonial position in the field of technology. There's no commitment made to Canadian manufacturing as distinct from the multinationals. There's no commitment to getting greater control over our natural resources, or at least of getting a greater return for our nonrenewable resources as Saskatchewan has done so successfully. There's no commitment whatever to greater processing in refining of our natural resources in Ontario.

In the absence of any commitment in any of those vital areas, any so-called industrial strategy has to be a mere Band-Aid, half-hearted, superficial excuse for a dynamic, substantial, overall structurally-oriented industrial strategy.

In the creation of the Employment Development Fund we're merely putting the taxpayers' money into a huge trough and then inviting the public sector to line up and gorge themselves at the public expense. Haven't we had enough of this sort of ad hoc-ery in Ontario?

Mr. Philip: We sure have.

Mr. Samis: We in the NDP are positive about Ontario's economy and we believe that Ontario can achieve full employment; that our economy can become healthy; that we can develop a high technology, competitive manufacturing sector; that we can create more jobs in the natural resource sector by asserting our sovereignty; that we can modernize our electronics industry so it can be more competitive in a difficult but booming electronics market; that we can, and we must, stop the trend towards slithering into the recesses of the US-based multinational corporate empire; that our forest products industry can be competitive and expand in the future; that the talent, the

ingenuity, the drive, the ambition of the people of Ontario can be mobilized into breaking our near total dependence on the branch plant economy; and that we can become sovereign in a variety of selective but key sectors of our economy.

We believe that the government and the private sector can work together, but not on the giveaway terms of the Tories. We fully recognize that the government will have to provide incentives to achieve some of those goals. We want to get the most for our money, but we don't intend to give it away in the absence of any overall economic plan that will produce basic structural changes in our economy.

My colleague the member for Nickel Belt (Mr. Laughren), our formidable Treasury critic, in his response to the budget outlined the basic conditions that we in this party would want to see met in our incentive plan, and I think it's important that they be remembered.

Very briefly: One, an economic plan must be in place, specific sectors of the economy selected and a major commitment made to their growth and success; two, economic sovereignty must be a key part of that economic plan and incentives must be designed to meet that goal; three, import replacement must be a central consideration in any incentive program; four, specific sectors must receive a major commitment so the goals of self reliance and job creation are pursued with vigour and consistency in order to avoid the shotgun approach of this government; five, incentives must have built into them individually tailored agreements based on the combination of job creation, equity participation, research and development guarantees, environmental commitments, buy-Canadian commitments and the reinvestment of profits in Canada; six, regional development must be an essential consideration before any incentives are dispersed, we certainly do not want to duplicate the Tory policy of building up the golden horseshoe at the expense of slow-growth regions like eastern and northern Ontario; seven, there must be a serious, comprehensive employment impact study carried out before—and I emphasize that—before any applications are approved. We are not prepared to accept the policy of grants and handouts without rigid, specific, concrete commitments of job creation in any sector that's receiving public funding. The example of Inco was a lasting testimonial to the bankruptcy of the policy of no-strings handouts and giveaways.

The second basic premise of this budget I would like to discuss is the whole question of the strategy involved in the Employment Development Fund and how it is to be used. What worries me is a speech made by the Minister of Industry and Tourism on February 21. He said: "In the dispensing of grants and loans, the government must abandon its policy of universality in favour of aggressive selectivity. I believe the time has come for the government to try backing winners, putting money into sound enterprises that need to become stronger or larger and on potential winners that may need an extra bit of help to come into their own."

If one is to gung-ho back these so-called winners, as the minister envisages them, I think we can imagine what's going to happen to eastern and northern Ontario. We know that the so-called strong are primarily located in the golden horseshoe and we know that the small, innovative Canadian entrepreneurs beyond the horseshoe are going to be virtually ignored by the fund and the ministry.

The minister fails to talk of the crucial need for regional development and the need to modernize his regional development policy. All one has to do is look at the unemployment figures beyond Metro. For example, in February in northeastern Ontario, we are talking about an unemployment rate of 9.4 per cent; eastern Ontario, 8.3; Peterborough, nine; Hamilton-Niagara, 10.7; St. Catharines, 14.5; and Sudbury, 12.1. I think the figures speak for themselves. The government just cannot ignore the needs of northern Ontario, eastern Ontario and Niagara. I am really afraid that the development fund and the policy advocated by the Minister of Industry and Tourism will serve to aggravate the already substantial regional disparities that exist in this province.

While I accept the emphasis on the need to build up certain sectors of our economy, I also strongly believe that the government must stimulate development in the slow-growth areas at the same time because we simply cannot divorce our economic needs from our social needs in this society.

I came across a speech made by the member for Brock (Mr. Welch), which I think reflects the fears and concerns of many of us who don't live in the Metro area. It was made at the Armourdale PC Association, of all places, on March 5. He said: "We are continuing to recognize that all programs developed by this government must be complementary in guaranteeing that our development and growth are geared to the benefit

of all and that our resources are truly directed to developing both greater quality and greater equality among people as well as in our economy.

"I guess the essence of what I am trying to say is that there's a strong relationship between what we do economically and what we can do in the social services. While we must continue to be concerned about the creation of new jobs, we must also continue to direct our efforts to making sure that some of those jobs are available to those who need them most.

"Our industrial development incentives should have social as well as economic priorities built into them. As part of the program, we will continue to devote greater effort to offering incentives and subsidies to industries willing to create jobs in communities where they are most needed and able to give training and jobs to those who are otherwise left behind. How else can a government or a party keep in touch with the human dimension?"

I don't think much more needs to be said beyond the fact that I would hope that the minister and the member for Brock, who is one of the few remaining red Tories on the government side, will be able to convince the Minister of Industry and Tourism to pay heed to those concerns and to those fears because we on this side certainly share them.

We on this side also strongly believe that while this government has paid lip service to the idea of decentralization, it has failed to deliver the goods, even its own ministries, not to speak of economic development. I refer to the promise to transfer the OHIP office and staff to Kingston, or should I say the aborted move to Kingston? There was a great hullabaloo in the last election. The government had finally realized the error of its ways and decided to atone for its many sins by announcing that 800 employees of OHIP would be transferred to Kingston. Here we are almost three years later, and how many have moved? In fact, I think the question is now, will any of them be moving to Kingston?

We can see how the government has recently reduced the role of the development corporations in eastern and northern Ontario; how much the publicized industrial park showcase in Edwardsburgh proved to be a complete election promise and busted wide open; how the government failed to develop the mining machinery industry in northern Ontario, despite the convincing arguments presented by the members of this caucus from northern Ontario; how the government has failed to create jobs in northern Ontario by

allowing so much of our natural resources to be exported elsewhere; how the independently owned cheddar cheese factories in eastern Ontario have been allowed to virtually disappear and be gobbled up by Kraft and the multinationals; and how the so-called Design for Development PR programs have proved to be empty and devoid of any commitment or any real thrust for the development of eastern and northern Ontario.

[10:00]

We have seen how this government has failed to decentralize and failed to develop any coherent, meaningful, aggressive regional development policies for either eastern or northern Ontario. The slow-growth record of those two areas makes it much more critical that the employment development fund not all be funnelled into the golden horseshoe, or used solely to assist the so-called strong industries located primarily in southern Ontario.

We in this party recognize the need, the role, the vitality, the importance of Canadian entrepreneurs in Canadian small business, especially beyond Metro Toronto. We know that small business is a crucial force in the task of creating jobs in Ontario and we know that recent studies clearly demonstrate that vitality and importance. In fact, recent statistics indicate that whereas in 1961 to 1971 small business created 20 per cent of the jobs, and in 1971 to 1977 58 per cent of the jobs, in 1977 small business created 53,596 new jobs. In other words, 88 per cent of the new jobs created in that year were created by small business.

In terms of overall employment, small and medium-sized Canadian-owned enterprises represented about 40 per cent of private sector employment, and in terms of the crucial manufacturing sector, small firms created 34,271 new jobs in the period 1971 to 1977, or about 55 per cent of the total new jobs in manufacturing, a virtual 900 per cent increase over the period 1961 to 1971.

We believe the government must pay more attention to the small business sector, and we are firmly opposed to the growing trend of corporate takeovers and the subsequent concentration of power in the hands of fewer and fewer people. It is not healthy for the consumers of Ontario, it is not healthy for the small business sector when, for example, the Thomson interests can effectively control the Bay, Zellers, Simpsons and part of Simpsons-Sears.

We believe that competition is healthy for the private sector and we favour government supporting the growth of smaller enterprises, rather than the corporate cannibalism we are

witnessing in the retail sector recently in the forest products industry. We are strongly opposed to cartels, monopolies, or oligopolies, and we believe that the recent manifestations of vertical integration are an ominous danger to the competitive nature and health of the private sector.

We are not opposed—and I want to emphasize this—to mergers in the manufacturing sector, which are designed to improve the efficiency of the firms to create more R and D, and more and better technology. But when we are talking about foreign takeovers, which this government has done nothing to resist, or corporate cannibalism, we are strongly opposed to it, because we want to protect the interests of the consumer and the Canadian entrepreneur.

I believe that a strong, healthy, competitive Canadian-owned manufacturing sector is the backbone of our economy in Ontario, and I believe that this government is not giving enough attention to the Canadian-owned sector and is giving too much money and too much attention to the American and other foreign-owned interests in the private sector.

While I applaud the creation of the Small Business Development Corporation, I note the failure of the previous VIC program, and the headline in the April 14 edition of the *Globe and Mail* section on business was, "Miller Concedes Program of Aid for Small Business May Not Work." In a speech to the Toronto Association of Business Economists, the Treasurer places great hope in the "fun and profit instincts" of businessmen, and while I certainly regard the SBDC program as a definite improvement over the discarded VIC program, the fact remains there are still some obstacles to be overcome for it to be a success; namely, Ottawa's approval for tax purposes; whether or not entrepreneurs will want to give up 49 per cent of their business, or whether investors will be satisfied with a minority interest; or whether the banks and trust companies will invest money in a company they would not have loaned money to or invested in anyway. Let me emphasize, I hope the program succeeds because the small business sector is in need of this kind of venture capital stimulation, but the jury is still out on this one at the present time.

Before leaving the topic of small business, I want to point out that the NDP government in Saskatchewan has operated a very successful program to assist small business since it introduced its five-point program in 1978. That program has aided companies with sales of less than \$500,000 a year with forgivable loans; it provided financial aid for product testing, modifying or improving

existing products and developing new products. It also helped share the costs of management consultants and subsidized travelling costs incurred in attending management upgrading courses.

It provides for assistance for small town merchants in its Main Street Program to improve their store fronts. It provides for assistance to municipalities to provide parking, lighting, sidewalks, et cetera, and it also provides loans for the establishment of new businesses or purchasing and existing business. It has worked well, Mr. Speaker, and I only point to the *Globe and Mail* as proof of that.

We in this party believe in curbing the power of the cartels, the monopolies and the combines, and building up our Canadian and small business sector. Although I do not have time to go into detail, I want to emphasize that our party presented a detailed job-creation program over a year ago in this Legislature. We calculate if that program were to be implemented it would create upwards of 45,000 new jobs in Ontario. It is a specific eight-point program. It is costed out at \$350 million, and in contrast to the \$300 million interest-free loan to Denison, to the \$100 million giveaway to the pulp and paper industry and the \$200 million corporate Wintario give away it is guaranteed to create a specific number of jobs and provide a definite return on the investment. This budget was noticeably devoid of any specifics on job creation and as such it was cold comfort to the 350,000 citizens of this province without jobs.

Before closing I would like very briefly, to point out that the good people of eastern Ontario still have a concern about the long-standing problem of the Quebec construction workers. It is a matter we dealt with, I think last June, in this Legislature. We passed legislation—I am glad to see the minister is still here—but we still have not resolved the problem. I know he has been engaged in negotiations with Gerhard Johnson, but we have had that story with his predecessor (Miss Stephenson), as well, and we still have no agreement.

We have no legislation for the workers of Ontario either, because we have not sent it to committee and we have not sent it for third reading. So the workers in eastern Ontario are caught between the two. Obviously there are differences of opinion in this House as to what should be done, but I know in my constituency the opinion still is that in the absence of any agreement, and it does not look like we are going to get one, we

should proceed with the bill and make it law.

I would hope the minister would proceed on that basis if there is no immediate hope of agreement, because we have been negotiating for I think about two years now—at least 18 months—and we have been unable to reach any form of agreement.

Mr. Philip: They are dumping on our dump trucks too.

Mr. Samis: Speaking of dumping, the good people of Cornwall are concerned about the Ontario Hydro development program in eastern Ontario. The number of sites has been narrowed down to I believe two in the Prescott-Iroquois area, but after what has happened in Pennsylvania and after recent revelations at Pickering, and more immediately Bruce, and some of the inadequacies at Bruce and Pickering, we do not want to be the latest addition to the family of nuclear-dominated communities. We do not have confidence the nuclear power option is anywhere near as infallible as its proponents would have us believe, and we do not share Hydro's unblemished faith in the safety of the nuclear option. We in eastern Ontario would far rather see a meaningful conservation program and reduction in Hydro's vast capital expansion program, rather than construction of any form of nuclear plant in eastern Ontario.

Two final points: I noticed recently in the newspaper the new summer theatre near Upper Canada Village may be in danger of not operating this summer. I would appeal to the Minister of Culture and Recreation (Mr. Baetz) not to allow that to happen. We in eastern Ontario badly needed something like this. It has only been operating for one year but it is so important to the expansion of tourism in the summertime that we cannot allow this new venture to succumb to bankruptcy or to close. We must do everything possible to assist the efforts of George Blackburn and other people to make sure that summer theatre operates this year. If changes have to be made, fine, but in no way should we ever allow that theatre to go under.

Speaking of going under, I want to make my final comments about those good residents of eastern Ontario, the milk producers, who are having all sorts of problems with their cheddar cheese. We have seen the province of Quebec prosper. We have seen the size of their milk pool increase by something like 22 per cent. We have seen the situation in Gananoque where 80 employees lost their jobs in a cheese processing plant that was capable of producing one million pounds a day. Ironically enough, the com-

pany that bought that plant was a Quebec-based plant which is now operating in the Rouyn-Noranda region in northwest Quebec, and every pound of their product is being sent to Toronto to supply the Ontario market. Yet our cheddar cheese factories in eastern Ontario are crying for more milk and operating at only 49 per cent of their quota capacity.

Ninety per cent of the cheddar cheese produced in Ontario is produced in eastern Ontario and our production last year dropped by something like 16 per cent while Quebec's production increased by 15 per cent. The number of our producers since 1976 has declined by 24 per cent, while Quebec's figure has increased in the same period from 1966 to 1976 by a whopping 94 per cent.

Quebec now processes 82 per cent of the butter and 81 per cent of the skim milk. We don't begrudge that. We realize their problems with the national quota. But we just can't sit idly by and see our cheddar cheese industry in eastern Ontario fall victim to bankruptcy or the whole political situation in terms of allotting quota.

It's a vital industry in rural eastern Ontario. It's a long-established industry in eastern Ontario. It has provided the people of Ontario with some of the finest products in the dairy field and we feel this government has a definite obligation to continue the cheddar cheese industry and do whatever it can to negotiate a better quota arrangement and a better deal for the cheddar cheese manufacturers.

In closing, Mr. Speaker, I want to thank you and the members for your attention and on behalf of the people of Cornwall once again I express my disappointment in the policies of the budget and I would urge that the needs of eastern and northern Ontario receive far greater consideration in the upcoming months.

Mr. Havrot: Mr. Speaker, I would first like to thank you for the opportunity I have this evening to speak during the budget debate. I might add that I concur with the remarks of the member for Cornwall with regard to cheddar cheese manufacturing. I have some good news for the member—of course, it's coming into my riding—that Balderson Cheese Limited have purchased a small cheese factory in the Earlton area and will be consuming the 36 million pounds of surplus milk that is going out of the riding of Timiskaming over to the Quebec side of the Rouyn-Noranda area which the member has mentioned.

Aside from a few of my concerns relating directly to northern Ontario and my riding of Timiskaming itself, there is one other issue

which I would like to discuss and this relates to the matter of the health premium increase which was announced in the budget.

Some members have found fault with our government's decision to move away from a balanced budget by 1981 and seek what now appears to be the more realistic target of 1984. I would say that this flexible and pragmatic approach to fiscal strategy is one which the former Treasurer himself adapted. Indeed, the Treasurer's opening remarks upon presenting the 1977 budget went as follows:

"Our objective is to have the capacity to balance the Ontario budget by 1981. This is not an inflexible commitment. Indeed, economic conditions or social needs may make it inappropriate or even impossible to achieve this target by 1980-81."

As things have turned out, the pace of economic recovery has been slower than anticipated and this has slowed revenue growth appreciably. In addition, our co-operation with the federal government last year in reducing the retail sales tax temporarily further reduced revenue yields. Since the revenue side of the equation was not what we might have wished, it has been necessary to take a long, hard look at the spending side. Any successful attempt to contain government spending must focus on the size of the public sector and its wage bill.

We do not intend to allow restraint for ourselves, however, to mean hardship for others. The government continues to allocate most of its resources to areas of high social priorities including health, education and social service institutions.

For example, the budget of the Ministry of Community and Social Services has been increased by 6.9 per cent to provide greater emphasis on support services to the elderly and handicapped, and the existing high quality of Ontario's health services is being upgraded with the extension of the home-care program for the chronically ill into additional centres in the province.

As I said, I would like to make some mention of my thoughts regarding the means by which health care services are financed.

[10:15]

The largest portion of health cost will continue to be financed through general revenues. Even though premiums have become subject to this moderate increase, over the years premium increases in this province have not been a cruel, calculated attempt to extract tax dollars unfairly; they have been a legitimate attempt to maintain the flow of funds from citizens wanting coverage through health insurance, with

the government picking up a large part of the tab in any event, and the government further telling those who couldn't afford even the premiums not to worry, that either part of the premium or the whole thing would be written off.

I've heard a lot of talk about how the health system might better be financed. I'm certainly prepared to say that since the system is not perfect, there is obviously room for improvement; but before we throw the baby out with the bathwater, I think we should remind ourselves that premiums aren't entirely a bad thing, and in fact do serve a greater purpose than simply filling government coffers.

People paying premiums, either directly or through their employers as a taxable benefit, are reminded that this whole health system is not just a big arm of an ever-increasing government. In a very real sense our Health system revolves around a private relationship between patient and health-care practitioner, or if you like between consumer and retailer.

As a government we try to help both sides, but we know that by swallowing the whole thing up we would probably do great damage to the system. If we swallowed up the system on what economists would call the demand side, we would simply abolish premiums and use the phrase consolidated revenue fund to help convince people that the whole thing was a free ride.

If we swallowed up the equation on what economists call the supply side, we would turn doctors into civil servants and tell them that big brother always knows best.

Mr. Philip: You might turn them into professionals instead of just merchants.

Mr. Havrot: As it is, Mr. Speaker, we're walking a very difficult tightrope, and I might add a very expensive one.

The bill for health services this year is expected to be over \$4 billion. I think those vital health dollars are being raised in a fair and honest way. I think my constituents will well understand the government's need for an additional \$2 per month per family, especially when they consider that this 5.3 per cent increase will be less than the growth in the cost of insured services, which are projected to increase by 5.5 per cent.

Mr. Philip: Equivalent to the estate tax you just took off.

Mr. Havrot: As a citizen of Ontario, I am interested in changes within the social service spending programs.

Mr. Philip: You do more about the dead than you do the living.

Mr. Havrot: While northerners are just as interested as southerners in health-care financing, we do intend to look at the budget, just as we look at government itself, somewhat differently.

Anyone from a northern riding is bound to look at the provincial budget more from the perspective of what it will do to ensure economic prosperity and stability in the north than its effect upon our deficit. Those of us from northern Ontario represent a region which contains only 10 per cent of the total provincial population but almost three fourths of its land mass. There are some pretty special conditions which the geography, as well as the dispersed population, present in the provision of government programs and services.

I know all areas of Ontario have serious problems with unemployment. However, it is still true, I think, that such items as job security, high standards of living and convenient social amenities are things which we in northern Ontario have not yet been able to take for granted.

The member for Chatham-Kent (Mr. Watson), who spoke in this debate pointed at five economic priorities which he felt this government had identified. He mentioned the introduction of incentives to speed the absorption of a highly-educated work force into the labour market. Reducing the rate of inflation was another. Encouragement of domestic investment, integrating the national economy within Canada and also improving our access to foreign markets, were the remainder of that list.

Few of us, if any, can argue with these priorities, because from a long-term perspective ensuring economic health is the only means to strengthen our tax base and thereby improve our social services without increasing deficit spending.

However, something left out of this formula, this macro-economic scheme, is the fact that northern Ontarians economically are in unique, very peculiar circumstances. While someone from southern Ontario will point to the Employment Development Fund and remark that this program will ultimately aid in achieving our goal of a balanced budget, a northerner will likely suggest that we now have a mechanism to inject new vitality into specific communities. Often in the north it is the case that whole towns are dependent on one source for job security. One industry supports the population. Without it, there would cease to be any need or reason for the community's continued existence. These towns are not blessed with the economic diversity found in the south.

The Employment Development Fund, therefore, has a special significance in the north because, while it does not broaden the economic base of these centres or reduce their dependence on specific industries, it will strengthen the competitiveness of the whole area.

The pulp and paper industry has been much talked about in this House lately. We have heard the statistics about the need for modernization and the cyclical nature of the business; so I will not repeat all that. What I really wanted to do was to bring to the members' attention that often things are viewed so differently in the northern setting.

My own riding, while not subject to the fluctuations of the pulp and paper industry, does have a unique reliance on tourism as well as on the mining industry. Neither of these activities is of a nature that readily lends itself to becoming a beneficiary of the incentives which are available through the Employment Development Fund, yet both these sectors of the northern economy are of vital importance and have suffered setbacks as a result of the slowdown in our national economy.

During the last three years, if memory serves correctly, there has not been a major mine opened in northern or southern Ontario. Many things have been happening with government and government programs that will ultimately be of great assistance to the mining industry.

The Ministry of Northern Affairs geological survey program will come to completion during 1980. A reconnaissance study such as this, touching on engineering, terrain, mineral characteristics and the aggregate capability of the north will provide us with a basis for future planning and development.

Nevertheless, several factors have greatly reduced the attractiveness of investment in the mining sector of northern industry. The recent depression of copper and zinc prices, as well as a glut in the world nickel market, have made mining prospects less lucrative and have created the nickel surplus being experienced at Sudbury. Also, of course, technological improvements facilitating the recovery of iron from various types of ore have brought many new competing interests on to the international scene.

Ontario's mining industry is faced with very serious problems. The mining scenario is not totally bleak, however.

Mr. Laughren: Gloom and doom.

Mr. Havrot: That's right; there's gloom and doom on that side, but not on this party's side. We are for ever optimistic.

Texasgulf's \$130-million investment at Kidd Creek, and its \$275-million copper smelter and refinery near Timmins, are encouraging undertakings. It warrants mentioning that instrumental in attracting these investment dollars was the northern Ontario mining tax allowance.

I am in wholehearted support of any measures seeking to redirect investment capital to this province. The changes in the Mining Act this year, the reduction of the top marginal tax rate and the mining profits exemption increase, follow on the heels of the former Treasurer's moves to exempt new mines and major mining expansions from tax; to ease the burden of the mining tax over the whole mineral processing cycle; to remove mandatory minimum deductions of depreciation, exploration and development expenditures; and, finally, to give full allowance of foreign processing costs incurred in processing of Ontario ore.

These measures will no doubt aid the mining industry in northern Ontario. However, I am not sure what they will do for its development. I am still very disturbed that we have failed to greatly stimulate exploration expenditures over the last five years. Sooner or later, a situation such as this is bound to reflect itself upon the economy of the north.

I have had occasion in the past to ask myself precisely how much more clout the mining division, now within the Ministry of Natural Resources, might have if it were more closely affiliated with the Ministry of Northern Affairs.

In three years of operation, Northern Affairs has become recognized as serving a purpose which is singularly vital and important. Most people see it as the co-ordination of all government functions in the north by one body whose sole purpose is to deal with the concerns and needs peculiar to northern Ontario.

Some of the accomplishments of the Ministry of Northern Affairs have been truly dramatic.

Mr. Laughren: Abysmal.

Mr. Havrot: The matter of transportation is one of these accomplishments. In co-operation with the Ministry of Transportation and Communications which has effected the actual construction, the Northern Affairs Ministry is assisting in the expansion of several bypasses, the grading and resurfacing of other roadways and also, quite importantly, the creation of sorely needed passing lanes.

Mr. Laughren: Why can't MTC do that?

Mr. Havrot: We are getting a lot of roads now since the new ministry has come into being. Maybe it's the member in the riding that has the drive to attain this goal.

Mr. Laughren: They are terrified of Bob Bain. That's why.

Mr. Havrot: If there is a key word in economic development of the north, it certainly has to be accessibility. The creation of norOntair and the expansion of its route to include 20 communities in the north is also of great significance.

Mr. Laughren: You are lucky there is a quorum.

Mr. Havrot: In conjunction with the federal Department of Economic Expansion, several major undertakings have resulted from initiatives in the Ministry of Northern Affairs. I have already mentioned the aerial mineral surveys which make up part of the \$90 million in DREE agreements signed last year.

The \$71.5 million forest management agreement for northwestern Ontario is another major DREE project that will generate jobs and assist in the maintenance and the enhancement of one of the north's most vital industries.

Mr. Laughren: Are you sure you wrote this?

Mr. Havrot: I did. The ministry has made available to both large and small communities alike services taken completely for granted by residents in southern Ontario. I am speaking of water treatment, sewage treatment facilities, fire protection equipment and a variety of other such things.

The ministry has brought medical and dental services to the north to people who in the past might have had to travel 100 miles or more to see a doctor or dentist. This has been done through such programs as the medical bursary program and the provision of travelling dental coaches.

Mr. Philip: That sure has improved transportation.

Mr. Havrot: How long have you lived in the north?

Mr. Philip: Quite a long time.

Mr. Havrot: You've been on Finch Avenue or some place; you don't even know where the north starts.

Mr. Philip: Tell us about the bread in Chapleau.

Mr. Havrot: You and your bread in Chapleau.

Mr. Ruston: He's giving you a chance to make a speech.

Mr. Havrot: I don't trust him.

Hon. Mr. Elgie: He thinks Thornhill is the outer boundary of Canada.

Mr. Havrot: These are just a few of the things the ministry has been doing in the north. The ministry is helping to transform the face of northern Ontario. This is why I would like to see Northern Affairs take over the responsibility for mining in this province.

Mr. Laughren: Oh, my goodness!

Mr. Havrot: The mining industry is a very important factor in the economy of Ontario. In 1977, for example, it generated over \$2.7 billion and over 47,000 people were employed in the industry that year. This industry will continue to play a very important role in the economy of Ontario, especially northern Ontario.

Mr. Laughren: Do you know what we got out of it? Just \$39 million.

Mr. Havrot: What concerns me is the fact that in the 1978 statistics of the Ministry of Natural Resources, five pages have

been allotted to the division of mines out of 104 pages. Therefore, I am proposing that the Ministry of Northern Affairs assume the responsibility of the mines division that is under the Ministry of Natural Resources at the present time.

Mr. Laughren: The Minister of Northern Affairs couldn't run a peanut stand.

Mr. Havrot: That is why I think Northern Affairs should be administering the mining industry. The ministry would give it the aggressive progressive push that we have seen it do for other things of importance to the north. It would generate expansion opportunities for this industry and increased employment and financial benefits would naturally follow. Mining is important to the people of the north. This ministry would give it the attention it has earned.

On motion by Mr. Havrot, the debate was adjourned.

The House adjourned at 10:30 p.m.

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No. 39

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Friday, May 4, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

FRIDAY, MAY 4, 1979

The House met at 10 a.m.

Prayers.

DISPOSAL OF HAZARDOUS WASTES

Mr. S. Smith: On a point of privilege, Mr. Speaker: Yesterday during the question period, the Minister of the Environment (Mr. Parrott) and I engaged in an exchange regarding the land drainage reference study, a study from which we obtained the names of certain sites which the minister had left off a list which he had given to the resources development committee. I want to refer to this exchange because it was shown on television and also because I think it was an important one here.

The Minister of the Environment said: "Indeed, the reason the Leader of the Opposition now knows of some of these sites is because he has called our office, been given that information, then has the nerve to stand in this House and pretend to have found them."

Mr. McClellan: You are on television.

Mr. S. Smith: At this point, I rose on a point of privilege. I said: "It alarms me that the minister should be so misinformed . . . Does he not know that I got that list of sites from a federal report which was in—"

At this point, the minister interjected: "That we gave you—that we gave you." You will remember this, Mr. Speaker. Then I said, "No. No. Which we got from the Minister of Natural Resources and which the Environment Ministry didn't even have a copy of."

Whereupon the minister said—and I didn't hear this in the melee yesterday, although it was on the television very clearly—"Mr. Speaker, in the kindest and gentlest of terms, that is not so."

Mr. Speaker, I want to tell you the chronology with regard to this report and put it on the record so that all can see what the facts are. A researcher from my office saw reference to this study in an International Joint Commission report. She then called the International Joint Commission in Windsor and they referred her for a copy of it to the surveys and mapping branch in the Ministry of Natural Resources in Toronto.

She called there and got it from the director, Mr. Code, who agreed to send this report to her.

At the time, she also checked the Ministry of the Environment library, and the study was not in that library. I then presented the report here in the House and asked certain questions on the matter. After that, the researcher received a call from Mr. Ed Turner of the Ministry of the Environment, asking what that report was and where it was from. When she said, "Did you have a copy of it?" he did not know if he had a copy of it. When she said, "Do you remember ever seeing this report?" he said no.

That is the chronology. It is because she happened to seek this report out from the Ministry of Natural Resources on reference from the International Joint Commission that I was able to bring it in and correct the incorrect list of sites given by the minister to the resources development committee. The minister, therefore, either has been misinformed by his civil servants and truly believes that I got the information from his ministry or, if he knows better, he has misinformed the House. Under either circumstance, it is incumbent upon him to correct the record and also to seek from his own civil servants an accurate depiction of what in fact happened.

Mr. Speaker: I know that the Leader of the Opposition would want to correct the record, as he sees it, at the earliest possible moment, but it is customary to wait until the minister is here to give him an opportunity to respond. I am not going to take any action. In fact, there is no action that should be taken by the chair. I am sure the minister will want to give his version of the sequence of events when he comes.

NUCLEAR PLANT SAFETY

Mr. Sargent: This may or may not be a point of privilege, but I will ask you to rule on it, Mr. Speaker. Three days ago I asked the Minister of Energy (Mr. Auld) for important information relative to the hearings in Hydro. Nothing has been forthcoming yet. I am concerned that it is a dodge and that we will not have this information before the hearings.

Mr. Speaker: It is certainly not a point of privilege. You asked for the information and we assume that ministers respond at the earliest possible time after they have done their research. I don't think the honourable member should say that it is a dodge. We assume that all honourable members around here are honourable and will co-operate to the best of their ability.

Mr. S. Smith: That takes a lot of assuming.

ORAL QUESTIONS

BELL CANADA RATES

Mr. S. Smith: One hardly knows which of the seven out of 26 ministers who are here today to put a question to. I have one for the Minister of Transportation and Communications (Mr. Snow), but in his absence I will direct it to the Minister of Industry and Tourism.

Mr. Eakins: He won't know either.

Mr. T. P. Reid: He has still got jet lag.

Mr. Breithaupt: At least he can take it as notice, which shows that he is here.

Mr. S. Smith: He is here in a spirit of Concorde and harmony, I am sure. Earlier this week the government indicated that it will not be protecting hydro users from drastic rate increases. I would like to know what they have against telephone users. In particular, the minister will know that the CRTC has twice told Bell Canada that in setting telephone rates Bell must take into account the \$132 million in profit it may earn in Saudi Arabia. Bell is now appealing that decision to the federal cabinet. Why in heaven's name is the government of Ontario supporting Bell's appeal in this regard, especially since the government took the exact opposite view in front of the CRTC in the original hearing in 1978? Why is Ontario supporting Bell in the appeal before the federal cabinet?

Hon. Mr. Grossman: Mr. Speaker, my colleague has always paid careful attention to those sorts of matters. That is why, with some regularity, we have made interventions or appearances on behalf of one side or the other of a case when these matters come up to those boards.

Mr. S. Smith: And sometimes on both sides, as in this instance.

Hon. Mr. Grossman: I will ask the minister to respond on Monday next when he is in the House; he will not be here this morning. I will refer that question to him.

Mr. S. Smith: By way of supplementary: Was the minister at no time consulted when

the Ontario government took a position with regard to telephone rate increases or with regard to the argument that the increase would favour Bell's technology or something of this kind? As Minister of Industry and Tourism, is he not consulted when the government takes a position either for or against a large industry such as Bell Canada?

Hon. Mr. Grossman: We were not only consulted, but we also had a great deal of input into the decision ultimately arrived at by cabinet. I do not think we would be doing anyone a service to purport to have anyone other than the Minister of Transportation and Communications respond to the Leader of the Opposition on that very complex question.

Mr. Swart: Supplementary, Mr. Speaker: Is the minister not aware that Bell transferred something like \$25 million towards payment of reserve in taxes so they could keep within the 12 per cent dividend limit on their earnings last year and, if this additional income is added, they are going to be well above that? Does he not think this is an added reason why he should make some representation—an application—to the CRTC—to have those rates reduced for the consumers?

Hon. Mr. Grossman: Again, Mr. Speaker, the allegations made by the honourable member are matters which the CRTC is there to deal with.

Mr. Swart: I know. But somebody has to apply.

Hon. Mr. Grossman: I can assure him that this matter was discussed at length within the government and a careful and reasoned decision was arrived at.

Ms. Gigantes: You are protecting Bell; not the consumer.

Mr. MacDonald: Are you going to intervene?

Ms. Gigantes: They are intervening—on behalf of Bell.

Mr. Warner: They'll be there to help out Bell.

Hon. Mr. Grossman: If the honourable member wants the basis, the background and the reasoning behind that, he can ask the Minister of Transportation and Communications on Monday.

Mr. Swart: Another short supplementary, Mr. Speaker?

Hon. Mr. Davis: Why don't you just say you are going to nationalize Bell and let it go at that?

Mr. Warner: That's what the Tories did in Manitoba in 1906.

Mr. Wildman: What about the Muskoka telephone system? The Tories are used to nationalizing telephone companies.

Hon. Mr. Davis: We all know you want to nationalize Bell and Northern Telecom. That's what you're going to do.

Mr. McClellan: Go back to sleep!

Hon. Mr. Davis: You'll lose every vote in Northern Telecom in Bramalea—

Mr. Speaker: Order! I am sure somebody will direct a question to the Premier later on.

Hon. Mr. Davis: You're quite right, Mr. Speaker.

Mr. Swart: Mr. Speaker, in view of the minister's statement that the CRTC is delegated to deal with this matter, is he not aware that it only sits as a judge and jury; that it does not do any investigation on its own; and that it only takes action on rates, either up or down, if an application is made? Therefore, in the interests of the people of this province, should the minister not now initiate such an application?

Hon. Mr. Grossman: I hear very well the complaints and reservations the member has about the CRTC.

Some hon. members: No—about you.

Hon. Mr. Grossman: I suspect that, after May 22, when the new government comes in, it will have a fresh look at the CRTC. No doubt what happened in Britain yesterday will happen in Canada on May 22, and there will be a new era for the CRTC. How did Labour do yesterday? I missed the results.

Mr. Swart: What has that got to do with Bell Telephone?

Mr. Warner: Why don't you try minding the business over here?

Hon. Mr. Davis: Are you all wearing black armbands? Are you all in mourning?

Mr. Laughren: Are you proud of Margaret Thatcher?

Mr. Speaker: Order, order! The Leader of the Opposition with a new question.

Mr. S. Smith: Funny, I did not think the minister was such a fan of the Saudi deal as to want to go and support it in front of the cabinet. I am very surprised at him.

NUCLEAR PLANT SAFETY

Mr. S. Smith: A question, Mr. Speaker—I guess it will have to go to my hapless friend the Provincial Secretary for Resources Development, upon whose shoulders it always falls to stand and refer questions to others, because the others are seldom here.

Mr. Bradley: They're a government in exile; they are hiding.

Mr. S. Smith: I ask him a question which really should go to the Minister of Energy. It follows the minister's statement regarding the Babcock and Wilcox boilers.

[10:15]

The minister said in the House on May 1, "I am informed by Hydro the order for boilers for the 600-megawatt Candu nuclear station being supplied to Korea was obtained in 1976 by Foster Wheeler Limited of St. Catharines by competitive bidding against other suppliers."

Would the minister please check to find out what that means? Is the minister saying this was the lowest bid? If in fact it was not the lowest bid, then what does he mean by "competitive bidding"?

Hon. Mr. Davis: Why didn't you ask him when he made the statement?

Mr. S. Smith: That was the day when you and I were not here, Mr. Premier.

Interjections.

Mr. Speaker: Order, order. Will the Premier come to order, and will the Leader of the Opposition ignore the interjections?

Mr. S. Smith: Mr. Speaker, the Premier wanted to know why I didn't ask the minister when he made his statement.

Mr. Speaker: Order. Will you please put your question?

Mr. S. Smith: The minister made the statement on a day when neither the Premier nor I was in the House.

Mr. Speaker: You have already said that. You are repeating yourself. Will you please put your question?

Mr. S. Smith: Good. For the benefit of Hansard, I didn't think you heard me, Mr. Speaker.

If it is not the lowest bid that allowed Foster Wheeler Limited to win over Babcock and Wilcox, if Foster Wheeler was not lower than Babcock and Wilcox, would the minister make a statement in the House explaining the basis for preferring the Foster Wheeler bid over the Babcock and Wilcox bid? The minister at that time also said a number of other people are using the Babcock and Wilcox boilers used in Pickering B, Bruce B—the Argentina one, and so on. Would this minister ask the Minister of Energy to confirm that Atomic Energy of Canada Limited's most recent purchase was the Foster Wheeler one and that they have not bought from Babcock and Wilcox since that time?

Hon. Mr. Brunelle: Mr. Speaker, I would be pleased to bring it to the attention of the Minister of Energy. He will be back here on Monday.

Mr. Sargent: Sure you will.

Mr. Swart: Supplementary, Mr. Speaker: When the minister is making the investigation to determine the basis on which the decision was made, would he continue to give consideration to the fact there is severe unemployment in the Niagara Peninsula and that we need those contracts for employment in Foster Wheeler?

Hon. Mr. Grossman: What does Monty say about that? What do you say, Monty? Do you agree, Monty?

Hon. Mr. Brunelle: The minister will also be advised of that.

Mr. Kerrio: Supplementary: When the minister is compiling this report I wonder if he would include in it whether these contracts include design and the guarantee of the design to function on the part of the supplier? Would he say, in that case, whether they would be obliged to pay for any repairs that are necessary on boilers that have given us trouble?

Hon. Mr. Brunelle: I will be pleased to also include that.

Mr. M. Davidson: Mr. Speaker, given that the Leader of the Opposition has in the past few weeks concentrated an attack on Babcock and Wilcox, will the minister take it upon himself to put forward a formal statement in this House outlining all of the details as to why the situation that developed as a result of the tubing failures in certain plants has developed and who is actually at fault in this matter?

Hon. Mr. Brunelle: Mr. Speaker, as the honourable member knows, the Minister of Energy always tries to be as helpful as possible in providing information.

Hon. Mr. Grossman: Look after the multi-nationals, Monty.

ATTENDANCE OF MEMBERS

Mr. Riddell: Mr. Speaker, I wonder if I could speak on a point of order before the next question?

Mr. Speaker: You can try.

Mr. Riddell: With about a quarter of the Conservative members able to turn out for a Friday morning sitting, would you use your good influence on whatever body it is that recommends the change of procedure around this place to ascertain the feasibility of sitting on a Wednesday rather than a Friday and let the Conservative members have their cabinet meetings on Friday if they so desire? This is absolutely ridiculous.

Mr. Speaker: I have always felt it was the responsibility of the chair to maintain civility and decorum; presence, no.

Mr. Cassidy: Mr. Speaker, it's tempting to call a vote because the NDP is in a position to defeat the government right now.

Mr. Foulds: Singlehandedly.

Mr. Cassidy: Singlehandedly, without even the support of the Liberal Party, which is always so difficult to get.

Mr. Laughren: We should have a no-confidence motion right now.

Mr. Cassidy: My colleague, the member for Nickel Belt, is suggesting we have a motion of no confidence and have the vote right now. I have to hold him back because there is another election on right now.

Hon. Mr. Davis: Any time you are ready.

Mr. Rotenberg: You will get what Callaghan got.

Mr. MacDonald: Take a look at BC next week. Take a look at the Tories in BC.

SHORTAGE OF SKILLED WORKERS

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Education about apprenticeships and skilled labour training, which is one of the reasons why that government is going to have problems in the next provincial election.

Mr. Rotenberg: Not with you.

Mr. Cassidy: Is the minister aware of the Nickerson report on skilled industrial workers in Guelph, Toronto, and Hamilton, which says, "There is in practicality no apprenticeship training scheme in existence in one of the highest areas of concentration of industries in Canada"?

Is the minister aware that that survey showed there were no apprentices in the electrical equipment industry firms that were surveyed, in the aircraft industry firms, in structural steel or in foundries? Is the minister aware that in the firms that were surveyed, apart from the steel industry, 60 major companies with 56,000 workers had only 303 apprentices among them?

Given that record, how does the minister expect Ontario will meet its future needs for skilled workers and how does she account for such an extraordinary failure of skills training in Ontario's industrial heartland?

Hon. Miss Stephenson: Mr. Speaker, I'm sure the honourable member recognizes the fact that over the last 18 months a great deal of activity has been going on in the area of industrial training specifically related to the machine tool industry—

Mr. Swart: Activity but no training.

Mr. Laughren: That's not true.

Hon. Miss Stephenson: —with exploration of other industries with the solid intention of moving into those areas as vigorously and as rapidly as we can.

Mr. McClellan: After it has been studied for a couple of decades.

Hon. Miss Stephenson: We are aware that there are very grave deficits in many areas in terms of skills training and skilled workers. We have been attempting to move in those areas in which the deficits seem to be most acute—

Mr. Warner: By running ads overseas?

Hon. Miss Stephenson: —attempting to resolve problems in those areas first and then moving on to the others.

Mr. Swart: After 35 years of Tory government.

Hon. Miss Stephenson: We share this, I am sorry to admit, with all other provinces in Canada because it has apparently been a Canadian philosophy for some time that the area of skilled manpower training was primarily a responsibility at the federal level. It is obvious that we have not been able to rely on the current and past federal governments to accomplish anything in this area.

Mr. Warner: Why don't you just study it for another 20 years?

Mr. McClellan: There must have been a bad Minister of Education somewhere along the line.

Hon. Miss Stephenson: Therefore, we are attempting to move with federal co-operation, I must admit, as a result of some new—

Mr. Bradley: Oh, come on! You should have been doing it yourself.

Hon. Miss Stephenson: —enthusiasm which has been engendered within the federal bureaucracy for support of such programs. That's exactly what we're doing at the moment.

Mr. Kerrio: That stuff won't wash.

Mr. O'Neil: When you are at fault, blame the feds.

Mr. Cassidy: Supplementary, Mr. Speaker: In view of the monumental record of neglect in the area of skills training by this government, dating back to the time when the Premier was the Minister of Education, and in view of the fact that these figures, which were given to us by the Minister of Industry and Tourism yesterday, indicate that the selective placement service is looking for 400 skilled workers a year in Europe, which is more than the total number of apprentices in

these major firms in the Toronto, Hamilton and Guelph area, is the minister prepared to let us know whether there is now an overall plan of skilled labour needs in Ontario, how many skilled tradesmen does the province intend to see trained over the course of the next five and 10 years, how many will industry need and where are those trained workers in Ontario going to come from?

Hon. Miss Stephenson: We have not completed what I would call a finite survey of all of the skilled trades requirements in the province.

Mr. McClellan: None of your surveys are ever finite. It is a perpetual process.

Hon. Miss Stephenson: We have had some very good examinations with some reasonably accurate projections. The labour market information division in the Ministry of Labour is working diligently in that direction.

Mr. Warner: Diligently? Your idea of speed is to put roller skates on a caterpillar.

Hon. Miss Stephenson: As a result of the discussions about specific apprenticeship programs, it is our intent to move as rapidly as we can to overcome those skill shortages which would appear to be acute at this time and then to attack those which would appear to be less acute which, I think, is a reasonable route to follow.

Mr. B. Newman: Could I ask the minister to consider shortening the period of time in which an individual can receive his journeyman's qualifications—not in all skills, but in some certain skills? Also, would she consider supplementing the wages paid to an apprentice, either through her ministry or through some other device, to encourage our youth to go into apprenticeship?

Hon. Miss Stephenson: One of the features of employer-sponsored training programs is an assistance in remuneration provided through the employer to the person who is in the training program.

Certainly, there are some areas in which there needs to be more effort than we have been able to encourage at this point, but I am pleased to say that the employers who have had some reluctance—and the member for Haldimand-Brant-Oxford—

Mr. Nixon: Brant-Oxford-Norfolk.

Hon. Miss Stephenson: —raised one area the other day which is problematical in that the employers are saying, "There is no point in our training young people because somebody else comes along and steals them." This is a problem which we are trying to sort out.

I think there are a number of routes that should be pursued and we're looking at cer-

tain alternatives which were raised by some of those who participated in the job skills conference last year. A couple of mechanisms have been proposed.

In terms of the apprenticeship program, I have asked specifically the Industrial Training Council, which has responsibility as the advisory committee to the minister in the areas of industrial training, to examine certain apprenticeships because I don't know whether the length of the training program is appropriate for the educational level which most of those who are admitted to the training programs now have.

I am also not sure whether the ratios which have been established in certain instances under certain kinds of negotiated agreements between labour and management, are appropriate in terms of the numbers of skilled tradesmen required for each apprenticeship.

I've asked them specifically to look at this and to discuss it with both labour and management to try and resolve the problem, because I really doubt whether 6,000 hours is absolutely essential for some trades, at this point, when those who are admitted to that training program have grade 12 education and have had some technical basis in their grade 12 education.

Mr. Cassidy: Given the fact that in the Robertson, Nickerson report 48 of the 69 major companies surveyed had no apprenticeship program at all and the bulk of the remaining companies only had a handful of apprentices each, is this government now prepared to undertake that in future every major company in Ontario will be required to carry out skilled training programs, rather than being allowed to simply poach or import workers from abroad and not carry out the responsibilities to ensure a continued flow of skilled workers in Ontario?

Hon. Miss Stephenson: I'm not sure what the leader of the third party's definition of a major company is. It is my sincere hope, and the route we're trying to follow, to encourage all companies in the industrial area of reasonable size, with 50 employees or more, to become involved in either employer-sponsored training or apprenticeship training.

One thing I should have mentioned to the member for Windsor-Walkerville is that we already have one pilot project in a shortened apprenticeship program in the motor vehicle mechanic area—the one at Algonquin College we were talking about—which we are assessing this year, and it looks as though it is going to be reasonably successful.

Mr. Cassidy: The government has been assessing for 35 years.

Hon. Miss Stephenson: No, we have not. It has been in existence now for two years.

Mr. Cassidy: The government has done nothing else.

Hon. Miss Stephenson: It has one more year to go and that apprenticeship program will be shortened significantly if it proves, as I suspect it will, to be satisfactory.

Mr. Sweeney: Given that one of the major disincentives for young people going into an apprenticeship is the fact they have no guarantee they're going to be able to finish it—because of the seniority clauses they're the first ones to be laid off—does the minister have any plans or any provisions in place to provide some guarantees that, through the community college or through some other business, whatever the case may be, those who start a program and who want to continue it will have a guarantee they will be able to continue with it, such as they have in other countries?

[10:30]

Hon. Miss Stephenson: In our jurisdiction, that would seem to be a major problem primarily in the construction-skilled trades. It's less of a problem in the industrial trades. But this is a problem which has been identified and one which is being looked at now to find the appropriate solution to ensure that those young people who begin the program will be able to complete it. That's important.

I hope we shall have some recommendations about that kind of guarantee. Whether I can call it a guarantee or not, or a strong assurance, I don't know at this point. But that is being looked at.

HEALTH CARE FINANCING

Mr. Cassidy: Mr. Speaker, I want to ask a question of the Premier in the absence of the provincial Treasurer (Mr. F. S. Miller). In view of the fact federal contributions to health care in Ontario this fiscal year will rise by almost double the increase in Ontario's health spending, and in view of the increasing evidence that the quality of health care in this province is being seriously undermined by the government's health spending restraints, is the Premier—and the government—now prepared, at the very least, to pass through all of the \$280 million increase in federal dollars for health in Ontario—

Mr. S. Smith: I asked that question two weeks ago.

Mr. McClellan: You didn't get an answer, did you?

Mr. Cassidy: —in order to ensure the maintenance of a decent health care system in Ontario?

Hon. Mr. Davis: Mr. Speaker, the Leader of the Opposition wants the world to know he asked that question two weeks ago.

Mr. Nixon: He wants it to know you didn't answer it satisfactorily.

Hon. Mr. Davis: Oh, I think it was, in that the Treasurer was invited to sit down with—

Mr. McClellan: He wasn't invited, but he's welcome.

Hon. Mr. Davis: He told me yesterday he was appearing there Monday. I don't know if he was invited, volunteered or was asked.

Mr. McClellan: He volunteered.

An hon. member: Barged in.

Hon. Mr. Davis: Oh, barged in? I've never known the Treasurer of this province to barge in. Anyway, he is going to visit with the committee Monday afternoon and has the figures, which I think will prove interesting, and I think that will be the appropriate time to discuss it.

Mr. Cassidy: Supplementary: Since the Premier will not be appearing before that committee, can he explain why it is that when federal contributions to health spending in Ontario are increasing by 13.2 per cent this year, the allocation for the budgets of hospitals in this province this year is increasing by only 3.2 per cent? Why is he taking so much money out of the health budget for areas like grants to multinational corporations, and when will he come back with a commitment to decent health care in the province?

Mr. Warner: Yes. That money wasn't spent on health. What have you done with it?

Hon. Mr. Davis: The leader of the New Democratic Party, who, I guess, must be a little upset today as a result of events elsewhere—

Mr. Warner: Try answering the question.

Hon. Mr. Davis: —which, I'm sure, will happen here as well in a couple of weeks—

Ms. Gigantes: What's bothering you?

Hon. Mr. Davis: —really is to a certain extent distorting the issue. The alterations in the financing of health and the financing of post-secondary education are well known to the members of this House. The matter will be discussed, and I'm sure after the discussion on Monday the leader of the New Democratic Party will recognize we are maintaining the quality of the health system, and that it's being funded adequately—which is, after all, our responsibility. I would

suggest that he appear at this committee himself to listen to the explanations from the Treasurer.

Mr. McClellan: Why don't you read the transcripts from that committee, if you're so sanguine about it?

Mr. Sargent: Why don't you drop into a committee meeting once in a while, especially Hydro, to see what's going on?

Hon. Mr. Davis: You never invite me.

Mr. Speaker: The Minister of Industry and Tourism has the answer to a question asked previously.

Interjections.

Mr. Speaker: It's quite clear the Premier has deferred to the Treasurer, who will be before the committee, and I think it would be fruitless to pursue it any further at this point.

Mr. Cassidy: It would be nice to know where they're taking the money, Mr. Speaker.

CHRYSLER LAYOFFS

Hon. Mr. Grossman: Mr. Speaker, last Monday and Tuesday, in my absence, several questions were asked, quite understandably, about the difficult situation in Windsor as a result of the layoffs at the Chrysler engine plant there. I want to take this opportunity to provide the responses to several of those questions as quickly as possible.

On April 30, the leader of the third party asked questions relating to the layoffs and pointed out that these layoffs were occurring in spite of incentive grants that Chrysler has received from the government of Ontario. I want to confirm to this House and to the leader of the third party that Chrysler at no time has received incentive grants from the government of Ontario.

Secondly, he inquired as to what we as a government were going to do to ensure that Chrysler Canada lives up to the promises it made to the government to give Canadians a fair share of future production and jobs in the engine field under the auto pact.

My officials have been meeting with Chrysler and, as a result of those discussions, it becomes rather evident that at this time, on the basis of the information we have, the Canadian company is not being discriminated against in favour of its United States plants in the production cutbacks that the overall corporation has found it necessary to make in view of its quite substantially lower vehicle sales.

To this end, I thought the House would be interested in statistics from Ward's Automotive Reports of April 23, 1979. In essence,

those figures indicate that production of Chrysler passenger cars this year is down from 835,833 to 806,498; in other words, there has been a reduction in production at this stage of some 3.5 per cent. We thought it would be interesting to look at those figures to ascertain where the bulk of that decrease in production had occurred.

It is interesting to note that the production of Chrysler passenger cars this year has decreased in the United States by 4.9 per cent and has increased in Canada by 4.4 per cent. So, rather than being in a situation where the burden of the reduction in production of Chrysler automobiles has fallen on Canada, quite the reverse is the case: The burden has fallen on the United States, which is down 4.9 per cent; Canada, notwithstanding the overall decrease in the company's sales, is up 4.4 per cent.

I should point out that this particular plant, the V-8 engine plant, is the sole source of its size of engine for the entire Chrysler family. Since the great majority of engines are shipped to the United States assembly plants—which is interesting in view of our continuing balance-of-payments dialogue—the impact of lower US vehicle assembly figures is reflected in the Windsor engine production.

The member for Windsor-Sandwich (Mr. Bounsall) and the member for Windsor-Walkerville also asked questions that day related to the possibility of transferring the six-cylinder engine production back to this plant, which formerly did make the in-line, six-cylinder equipment for Chrysler.

In point of fact, notwithstanding the move towards six- and four-cylinder vehicles, the in-line, six-cylinder engines formerly made at this plant are very substantially declining in demand, as the industry trends are towards the shorter four-cylinder and V-type engines, which this plant can make and which I will get to in a moment.

We have been informed by the corporation that the elimination of the in-line, six-cylinder production in Canada has not been taken up by increased production in the Trenton, Michigan, plant in the United States, which is the plant now making the in-line sixes for Chrysler. It is interesting to note too that production at that US plant has been cut back twice since the Windsor production of in-line sixes was discontinued. Therefore, the available in-line, six cylinder capacity in Windsor is quite surplus to market needs. Reintroduction of the in-line, six-cylinder production in Windsor, therefore, would be quite a retrogressive step.

On the other hand, the cars that will be built in the future will not have in-line sixes but will have V-8, four-cylinder and V-6 engines; hence, the change last year of this plant from in-line six production to V-8 production is a very important one and the type of transfer that will ensure long-term employment in that particular plant. V-8 engines are used in the very popular vans and trucks as well as still in large passenger cars. Thus the V-8 engines are believed to have quite a good future.

We understand this plant could be converted fairly economically to produce smaller V-8s if market demands so dictate, as we expect they might. These factors, together with the recent expansion, give this particular operation some long-term stability that other plants—for example, the Trenton, Michigan, plant—would now be concerned about.

It is interesting too to note that the Trenton, Michigan, plant has had a layoff of some 1,350 employees, as compared to the ones in Windsor, simply because that plant is doing the in-line six-cylinder engines.

Mr. Sargent: Time, time.

Hon. Mr. Grossman: Finally, the member for Windsor-Riverside (Mr. Cooke) asked some questions relating to our assurance that Chrysler would make sure we continued to get our fair share of the small car production and future production demands. I'm somewhat concerned in that in those questions it was implied that a year previously the then Minister of Labour (Miss Stephenson) had implied to this House that there was some sort of guarantee that she was able to provide at that time. In fact, a close reading of Hansard from that date will indicate she made no such undertaking, but simply that meetings would be undertaken to ensure that all efforts were made to maintain that fair share.

Mr. Cassidy: Oh, no. If you're saying that she misled the House again that's fine.

Hon. Mr. Grossman: She didn't mislead the House. I challenge the member to go back and read the statement his colleague referred to and stand up before question period is over and tell me whether he said the Minister of Labour at that time directly undertook to ensure that or whether she undertook to ensure that discussions were had to that end. There's a great deal of difference. Before accusing her of misleading the House, which she didn't, he should go back and check the record. I won't argue with the member now but ask that he go and check Hansard and stand up and either withdraw

that allegation or confirm that he stands by it.

Finally, the member for Windsor-Riverside asked questions with regard to the burden of the change in demand for that engine and where it was being absorbed. To take a moment, the simple fact of the situation is that the plant used to turn out at full capacity some 1,900 assembled engines per day. This is made up of some 1,100 fully machined and assembled engines, which is their full capacity to machine in that plant, and 800 machined engine blocks which must be imported. The member indicated at that time, in his question—

Mr. Foulds: You said that, just carry on with the answer.

Hon. Mr. Grossman: No, I didn't say that.

Ms. Gigantes: If you knew your ministry, you could answer the questions in the first place.

Hon. Mr. Grossman: The member for Windsor-Sandwich said, and I would quote: "Is he also aware that of the 1,900 engines which have been produced up till now in that engine plant, 1,400 of the engine blocks were produced in Windsor?" I want to point out that none of those 1,400 engine blocks was ever produced in Windsor. Windsor does not have the capacity to make those engine blocks. In fact all of the engine blocks, the 1,900, have always come in from Michigan. Eleven hundred of them can be machined in that plant. In order to work at full capacity of 1,900 fully assembled engines, the balance, 800 machined engines, were brought into that plant so that 1,900 could be fully assembled.

It is important to note that in this cutback to 1,380 complete engines assembled, those 500 blocks are still planned to be imported from Detroit even though the Windsor plant has the full capacity to produce them. That was the allegation made. I'm sorry, that was the allegation he made.

Mr. Nixon: Why didn't you go on a three-week excursion?

Hon. Mr. Grossman: In response to that, may I say that of that reduction, all—and I repeat to the House, all of that reduction—is being absorbed by a reduction in the imported machined engines from the United States. The current capacity will be 1,350, and all of the reduction will be absorbed by the persons who supply the fully machined engines from the United States. In conclusion, may I say that I think all of this is evidence of several things. While we are concerned—

Mr. McClellan: What is the difference between "finally" and "in conclusion"? You said "finally" two pages ago.

Mr. Riddell: This is a terrible abuse of the question period.

Hon. Mr. Grossman: In my absence on Monday and Tuesday you took fully half of question period on these questions. If you want the answers I would have given that day, I'm happy to give them today.

Mr. Warner: We will never ask you a question again.

Mr. Swart: We might as well kill time some way when there are no ministers here.

Hon. Mr. Grossman: First, a \$35-million modernization occurred in that plant last year in order to convert it out of the in-line sixes, which are going out of use, to V-8s. Second, there are, as we said earlier, going to be some technological changes which will cause layoffs. Compounded to that is the dramatic decrease in sales of Chryslers this year. In an attempt to meet all that, they have quite properly been careful to make sure that the Canadian components of those cars are unaffected at the assembly. The burden, in terms of the auto part portion, falls entirely on the United States.

[10:45]

In view of these changes, we are concerned of course that any further changes are made up for by increased investment in this province by Chrysler and the other auto makers to ensure the commitments made under the auto pact are kept. I might add that in terms of Chrysler they are being kept and any employment loss replaced in terms of the new investment that will continue to occur. To this end, we are continually meeting with Chrysler to ensure that new investment.

Mr. Speaker: I think there were answers to six or seven questions there so I am not going to deduct any time from the question period. I would like to refer the minister to standing order 27(a) which says in part: "The minister may take an oral question as notice to be answered orally at a later sitting, but where any reserved answer requires a lengthy statement, the statement shall be given under 'Statements by the Ministry'." Since it was a combination of an answer to several questions—about seven questions—I will not deduct time. If there are no supplementaries we will get on to another question.

Mr. Cassidy: If I can cut through the obfuscations of the minister in his role as a corporate apologist, Mr. Speaker, is the minister aware that 550 jobs are being eliminated permanently because of the layoffs at the

Chrysler engine plant in Windsor? Will he inform the House what specific steps are being taken by Chrysler Canada in order to ensure some other kinds of jobs are created in Windsor or elsewhere in Canada in order to offset that loss of jobs, since a third of the jobs in the engine plant are being lost for what the minister says is only a three per cent drop in sales of passenger cars by Chrysler?

Mr. Ruston: Some of your members should buy Canadian cars.

Hon. Mr. Davis: My wife drives a Chrysler.

Hon. Mr. Grossman: I have tried to make it clear we are meeting with Chrysler to ensure that company, which is going through a difficult period, will make sufficient new investment in this country, in this province, to replace those jobs. That's as simply and as directly as I can put it.

I think it's interesting to note that last year when Chrysler was quite aware it was phasing out of the in-line six production, it invested \$35 million in this same plant to convert it to a V-8 assembly plant to ensure there would be a product made by this plant which would survive for many years. That's the sort of reinvestment we think has to continue to occur. To that end, we are meeting regularly with the company to make sure they do that.

I might add, I trust the leader of the third party will support this government if we consider giving an incentive grant to Chrysler to make sure new reinvestment occurs and new jobs are created.

Mr. B. Newman: Mr. Speaker, I wanted to ask the minister whether he is aware a substantial number of the engine blocks, rather than being machined in the Windsor plant, are being machined in Mexico and are coming through Detroit back into the plant for assembly? If those blocks were first produced either in Canada or in the United States, those 550 employees might not have to be laid off.

Hon. Mr. Grossman: No, that is not our information. All the engine blocks are made in Michigan. This plant has a maximum capacity of 1,100 machine blocks per day. They have gone down from 1,900 fully assembled engines per day to 1,350, but they are continuing to operate at full capacity for the machining component, which is 1,100. In order to get up to 1,350, therefore, they do have to import, as they always have, the differential—which is, in this case, about 250 fully machined blocks per day—because they don't have the machining capacity.

I don't know where those machined blocks come from, but wherever they come from that of course enables those persons working on the assembly end to continue to operate at full capacity. One of the points of my statement was to indicate they have not cut back on their machining capacity, pro rata for example, with the cutbacks throughout the system. They have kept that operating at full capacity.

[Later (11:12):]

Mr. Cassidy: On a point of privilege, Mr. Speaker: The Minister of Industry and Tourism raised some questions about the assurances given by the then Minister of Labour on May 2, 1978. I have had the chance to look at the minister's assurances, or what we thought were assurances. The exchange was as follows:

"Mr. Cooke: . . . Has the minister had any discussions with Chrysler . . . in order to convince the company we should be getting a fair share of the small car production and a fair share of the future production demands in Windsor?"

"Hon. B. Stephenson: That was precisely the burden of the message which was conveyed to the Chrysler officials who were here at the time of our meeting.

"Mr. Cooke: What was the answer?"

"Hon. B. Stephenson: Yes."

We had every reason to understand that that was an assurance that we would be getting our fair share of both the small car production and of the future production demands in Windsor. If that doesn't mean an assurance about jobs, I don't know what does.

Ms. Gigantes: It is a government of half-truths.

Hon. Mr. Grossman: Mr. Speaker, just to put this in context, the member for Windsor-Riverside said the other day that I ought to be aware of the fact that last year the then Minister of Labour had given an assurance that there would be no job losses.

Hon. Miss Stephenson: That is not so.

Hon. Mr. Grossman: That was the allegation, and I'm reading from Hansard of last Tuesday. He asked if I was aware that the Minister of Labour a year ago had given an assurance that there would be no job losses. That was the allegation the member made three days ago, that the Minister of Labour had assured there would be no job losses. On the basis of what the leader of the New Democratic Party has just read from last year, it's quite obvious that she did not give an assurance that there would be no job losses.

She gave an assurance that we would get our fair share under the auto pact, and that was the burden of the discussions that were carried on with Chrysler.

Mr. Swart: Stop splitting hairs.

Hon. Miss Stephenson: That is not splitting hairs.

Mr. Foulds: What does "yes" mean? Does it mean "maybe"?

Hon. Mr. Grossman: Either the leader of the third party should confirm that the Minister of Labour a year ago said there would be no job losses or that she did not. That's the burden of his point of privilege. She clearly did not say there would be no job losses.

Mr. Cassidy: On a point of privilege.

Mr. Speaker: Order. It's obvious that this is counter-productive. There is a difference of opinion and there is a difference of interpretation that we're not going to resolve here. All I can do is suggest to the member that if he is not satisfied with the answer to a question, he can avail himself of the provision of standing order 28.

[Reverting (10:50):]

TEACHER-BOARD DISPUTE

Mr. G. I. Miller: I have a question for the Minister of Education. In view of the fact that a petition was brought in on April 23, requesting her ministry to step in by May 1 and get the students in the Haldimand educational system back in the school—May 1 was on Tuesday of this past week—does the minister have a report for the House in this regard?

Hon. Miss Stephenson: On Tuesday evening, I believe it was, of this week, the parents of the area of Haldimand-Norfolk called both the teachers' federation and the school board to a meeting and proceeded to be as effective in terms of directing those groups as any group of individuals I have ever heard in my life. They admonished both to begin to behave in an adult manner and to sit down together at the bargaining table, which they will be doing today and tomorrow.

The board and the teachers' federation have reinstituted negotiations under the direction of the parents of that area, who are telling them the problems are soluble and that in fact they should be able to do it by themselves. The parents have requested that there not be any intercession by the Education Relations Commission because they have suggested that both the teachers and the board of education should be sufficiently intelligent and adult to resolve the difficulties.

We are continuing to monitor the situation on behalf of the educational program of the children.

Mr. G. I. Miller: If they don't get back, what are the minister's plans? Does she anticipate moving in, or is she going to let it continue to go on for weeks in the future?

Hon. Miss Stephenson: As I have explained several times to the honourable member and to others, the responsibility of the Education Relations Commission under Bill 100, to monitor and assess the potential damage to the educational program of the children, is there. They are monitoring it and they will report to me as soon as they believe there is any urgency to resolve it.

HOSPITAL BED ALLOCATIONS

Mr. Isaacs: I have a question for the Minister of Health. Now that the honourable minister has had an opportunity to ascertain the facts of the case which I brought to his attention yesterday, is he prepared to withdraw his accusation about political gain and recognize the seriousness of this case and of the situation which I described, that is, two days without hospital beds being available? Is the minister prepared to consult with his colleague the Solicitor General (Mr. McMurtry) to order a coroner's inquest so that all the facts of this case can be established and so that steps can be taken to ensure that a similar situation, in which all the hospital beds were full, does not arise again?

Hon. Mr. Timbrell: Mr. Speaker, a preliminary investigation which is being carried out this morning and is continuing through the day would indicate that clearly this is a matter of medical judgement.

Mr. Speaker: Order, order. If the Premier and the Leader of the Opposition want to engage in private conversations let them do it behind the Speaker's chair.

Hon. Mr. Davis: Point of order.

Mr. Speaker: It is not a point of order. It is an admonition from the chair. All I want to hear is the answer from the Minister of Health.

Hon. Mr. Timbrell: Mr. Speaker, to continue: a preliminary investigation this morning would indicate that it is a matter of medical judgement. I have asked my staff to complete the inquiry today and to present to me all of the facts about beds available at that time. I think the best way to ensure this kind of thing does not lead to unnecessary and unfounded concerns is that

there be an inquest, and I am going to ask for an inquest.

Mr. Isaacs: Supplementary, Mr. Speaker: I am very pleased to hear that, and I am sorry to note that the Premier doesn't regard the question as seriously as I do.

Hon. Mr. Davis: Point of order: I resent that implication. The member's own colleagues were not paying attention. There was some discussion here. To say that we were not interested is totally unfounded. It just demonstrates to me he has a lot to learn about this business yet.

Mr. McClellan: He knows a clown when he sees one.

Mr. Isaacs: Now that it has been demonstrated conclusively that the cuts in beds and the arbitrary formulas which are being used by the government result in situations like this, in which no regular treatment beds were available for two whole days in a large community such as the city of Hamilton and the surrounding municipalities, will the minister table for the information of this House the health reasons on which the cutbacks in beds are based, and will he review the situation, not only in Hamilton but also in every municipality across the province, to ensure that situations like this never arise again?

Hon. Mr. Timbrell: First of all, let me tell the honourable member that in the hospitals in the Hamilton area there have been no cuts in beds recently. In fact, I am told that as of this morning they have 1,872 beds. There have been no recent cutbacks or realignments in that area.

With respect, I think the honourable member—and I am sorry to have to say this—for the political purposes of that group, says that it has been conclusively shown—

Mr. Warner: Look, you had better stop that nonsense right now.

Mr. MacDonald: You're going to have an inquest for crass political purposes and get yourself off the hook.

Hon. Mr. Timbrell: —the people over there start out at the conclusion and then look for something, no matter whether it is half-baked or not, to try to prove their point.

Mr. Warner: You are attacking the doctor; that's what you're doing. The doctor said you are wrong.

Hon. Mr. Timbrell: Once I have all the information from my staff on the bed census figures from that day as to what beds were available where in the area, I will be glad

to share that information with everyone. Whatever the figures at the bottom line, I am still going to ask for an inquest, because I think that is the most appropriate way to resolve this kind of thing and settle it once and for all—not the kind of political doggerel the members opposite keep throwing around.

Mr. Cunningham: Mr. Speaker, I appreciate the minister's concern. In view of the temporary and from time to time overcrowded facilities in Hamilton, and in view of the difficulties associated with getting across the Skyway in emergency situations, would the minister agree that the most appropriate solution possibly would be the construction of a small emergency facility within the far east end of Hamilton or Stoney Creek?

Hon. Mr. Timbrell: Mr. Speaker, as the member will know, that is a suggestion that has surfaced in the last six to nine months. I asked the health council there to put together what has been referred to as the east end task force, to look at the question of hospital services and specifically emergency services in the Stoney Creek area part of the east end. In order to solidify the data base, as my friend knows, I have approved a request from the council to look at the relative costs of keeping the hospital where it is as opposed to moving it. That is a possibility, and I look forward to getting that report as soon as it is feasible so that we can settle once and for all where we are going to rebuild the hospital and what services we can provide to ensure there is an equitable distribution in that part of the Hamilton-Wentworth area.

MINISTRY ADVERTISING

Mr. Eakins: Mr. Speaker, my question is to the Minister of Industry and Tourism. I noticed in the *Globe and Mail* of April 12 that his ministry advertised for three directors and on April 26 for a manager of tourism planning. Would the minister explain the necessity for running all these advertisements he has been placing in the newspapers? Is he trying to tell us he does not already have the people employed in his ministry who could be promoted to these managerial positions? Why does he not give the people in his own ministry an opportunity to work their way up and to occupy these positions? He has capable people there; why not give them a chance?

Hon. Mr. Grossman: We are, of course; but that is directly in accordance with the re-

quirements for advertising those positions through the Civil Service Commission.

Mr. Eakins: Why don't you give them a chance?

Hon. Mr. Grossman: We have given them a chance.

We have no choice about the advertising; that is the route we must go through when we fill those positions. We have had several applications from within our ministry, as I had hoped we would, and I can assure the honourable member that they will get every consideration. But that is exactly in accordance with the system we must follow through the Civil Service Commission rules.

[11:00]

Mr. Eakins: Supplementary: I wonder if the minister will assure us he will give the first opportunity for these promotions to the people already within his ministry. I also wonder if the minister could tell us how many personnel in the ministry have been demoted and how many have been red-circled since he has become the minister. Could he also tell us to what extent his ministry has grown in personnel since he has become the minister?

Hon. Mr. Grossman: I believe the answer to the last one is that there has been no increase in numbers of personnel.

Mr. Nixon: Did you advertise Marvin Shore's job?

Hon. Mr. Grossman: We have made several lateral changes. I don't think there are any red-circlings or demotions, but I would be happy to get that information for the honourable member. I know the member for Victoria-Haliburton has supported and does support the extensive reorganization that has gone on in our ministry. It has been a difficult one but an important one, and I know he supports it.

I do finally want to assure him that we will not only be sure to consider applications from within our own ministry but we have encouraged several people in our ministry to apply for those very jobs.

Mr. Warner: Mr. Speaker, I believe I have a serious point of privilege. On reflection I intend, because of the seriousness of the situation, to raise it through the procedural affairs committee—and I will do so at the first opportunity that is provided for me. Thank you.

Mr. Peterson: Supplementary, Mr. Speaker, to the minister: How can he stand in this House and say he always promotes from within and that he is complying with the civil service requirements by advertising in

the paper, and at the same time have appointed Marvin Shore the way he did, with no advertisement and no competition within? He has to justify that to this House right now.

Hon. Mr. Grossman: Very simply, the position Mr. Shore has is an industrial development officer three or four which does not require that sort of advertising through the Civil Service Commission.

Interjections.

Hon. Mr. Grossman: These positions are all positions which require that advertising and that particular route. In both cases we have entirely followed, as we must, the rules laid down by the commission for hiring.

An hon. member: Who's Marvin Shore?

Hon. Mr. Grossman: He used to be your Treasury critic.

FLOOD DAMAGE

Mr. Wildman: In the absence of a statement by either the Minister of Intergovernmental Affairs (Mr. Wells) or the Provincial Secretary for Resources Development, I will ask the secretary a question, since neither the Minister of Natural Resources (Mr. Auld) nor his colleague the Minister of Transportation and Communications (Mr. Snow) is present.

Is it correct that neither MTC nor MNR notified the Ontario Provincial Police last Friday that highway 17 in Thompson township had been flooded by the Mississagi River? The Blind River detachment was unaware the highway was flooded until the MTC crew on duty brought a driver whose car was swept into a flooded ditch into these headquarters. Could the minister say if that is correct? Also, why didn't they notify the OPP?

Hon. Mr. Brunelle: Mr. Speaker, I will take the question as notice and have a reply as soon as possible.

Mr. Wildman: That will be fine, Mr. Speaker. I wonder if the minister can confirm whether or not the flooded site was left unmanned after the first accident, with no one stopping and directing traffic there, so that a second accident occurred 20 minutes later, resulting in the death of a young woman driver?

Hon. Mr. Brunelle: That will also be answered.

SPECIAL EDUCATION

Mr. Sweeney: A question to the Minister of Education, please, Mr. Speaker: Given the decisions the minister made yesterday

about assisting the Toronto board, but more appropriately, given the fact that board has a waiting list of 500 students for special education, is the minister prepared to make any changes in the grant formula to recognize the greater needs, not only of the Toronto board but of many boards in this province, to provide special education services to their students?

Mr. T. P. Reid: Especially in northern Ontario.

Hon. Miss Stephenson: I am sure the honourable member knows that in the process of examining the proposed legislation on special education all of these factors are being considered. I can't make a statement to the House at this time.

When I did talk to the Toronto board yesterday, I asked specifically whether there was a possibility of reordering some priorities which the Toronto board seems to have established. I do not know whether the action which the board took last night will ensure there will be an appropriate number of special education teachers for those students who are said to be on the list of 500.

It would not appear, from the figures which were made available to me, that there will be the capacity to move specifically to aid those young people. However, having said that, I also asked the Toronto board whether some of the things it has suggested it would do this year might not be better deferred to program, because surely program is the most important part of the board's function.

Mr. Sweeney: Supplementary: If the Toronto board was prepared to guarantee to the minister that the teachers it is going to retain would be directed to meet the special education needs, would she at that time be prepared to re-examine the grant formula and direct more money specifically for that purpose?

Hon. Miss Stephenson: Not for Toronto alone, no.

Mr. R. F. Johnston: Supplementary: Would the minister not say that the fact that the citizens of Toronto, not the teachers of Toronto and not the Toronto board, were the major factor in bringing the board to this decision because those citizens have a very serious concern about the quality of education, and since the cutbacks instituted by her ministry have caused these major concerns about the quality of education, it's time just to react to citizens—not political arenas—who want her to give more money so that the board is not put in the position

of raising property taxes? Those citizens are even willing to have their property taxes raised to accommodate it, but it's a regressive tax and they should not have to do so. Will the minister not act?

Hon. Miss Stephenson: Mr. Speaker, a decision of that sort is the responsibility of the board, if it is going to request that there be more property taxes in order to support the program. The amount of money which has been allocated on a per-pupil basis to the Toronto board has increased every single year. There was a reduction this year, on the basis of their lack of capital requirements, under the criterion established by the Ministry of Education in discussions with boards over the years.

The capital allocation for Toronto boards was reduced by about \$75, but there was a significant increase in the amount of money made available to the boards on the basis of the per-pupil grant for the provision of programs. That, it seems, is the most important part of all of this problem right at the moment.

I have specifically asked the board to look at whether it needs to spend the \$2 million which I gather it is going to spend, in spite of the fact that it is not really going to get any ministry support for it, to build a new school at Frankland School site, because the projections for attendance there would appear to be entirely not in support of that kind of decision.

In addition to that, the Toronto board has lost students in the elementary system in the order of 15,000 over the last four years, but the Toronto board has seen fit not to modify any school situations in order to accommodate that very dramatic decline in enrolment. Is it necessary?

Mr. McClellan: That's not true at all.

Hon. Miss Stephenson: The Toronto board has closed two schools, and that's it.

Ms. Gigantes: How can you say things like that?

Hon. Miss Stephenson: Because there are 15,000 fewer students in the Toronto board system and there are two schools that have been closed in the last four years. That's what the facts are. Sorry, five years, 1974. It's five years, not four years. It seems to me there is a slight problem in this area, which perhaps the Toronto board should look at, and this is what I asked it to do yesterday. (See "Statements by the Ministry," May 7.)

Mr. T. P. Reid: Supplementary: In view of the fact that the minister is making special concessions for Toronto and others—

Mrs. Campbell: She's not.

Mr. T. P. Reid: Well, she's looking at the situation in Toronto and other areas. Would she look at the situation in northern Ontario in terms of special education because of the peculiar circumstances of geography and so on? Also, did she or did she not make a commitment in Sault Ste. Marie that she would be coming up with additional funds for northern Ontario schools because they're all having difficulty because of the cutbacks and declining enrolments?

Hon. Mr. Davis: You won't blame the declining enrolments in the north too.

Hon. Miss Stephenson: I announced in Sault Ste. Marie that there was the first step in the GLGs to attempt to help the northern boards which were having specific problems because they have small numbers of students and, particularly, those boards in which the percentage decline in enrolment is greater than the provincial average. That first step has been taken this year. I said it was a first step and I meant it was a first step because we are looking at that.

I would remind the member that for certain specific boards we have maintained a floor to ensure that the decline in enrolment would not be as dramatic in terms of the funding levels provided. Toronto is one of the boards which enjoys the support of that floor. We are not at this point making additional grants of money to any specific school board, such as in the request that was made by the Toronto school board, because we don't have any more money. We are, however, examining the grant system in order to ensure that it is the most appropriate for the present circumstances.

Mr. Warner: It's called cutbacks.

Mr. Foulds: They are cutbacks in special education.

Hon. Miss Stephenson: It is not a cutback in special education.

NUCLEAR PLANT SAFETY

Mr. Sargent: On a point of privilege, Mr. Speaker: In view of the shocking revelations in the nuclear hearings downstairs in the select committee on Hydro affairs, I am concerned that the Premier does not show enough concern to drop in to see what is going on. I think he should be there.

Mr. Speaker: That is not a point of privilege.

Mr. Sargent: It is a point of privilege to me.

Mr. Speaker: It's not to me.

REPORT

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr4, An Act respecting the Financing of the Huronia District Hospital.

Bill Pr6, An Act respecting the Village of Cookstown.

Report adopted.

[11:15]

INTRODUCTION OF BILL

CROWN TIMBER AMENDMENT ACT

Hon. Mr. Brunelle, on behalf of Hon. Mr. Auld, moved first reading of Bill 77, An Act to amend the Crown Timber Act.

Motion agreed to.

Hon. Mr. Brunelle: Mr. Speaker, the purpose of this bill—the main purpose of the amendment—is to enable the Minister of Natural Resources to enter into agreements with companies whereby companies will have the authority to undertake the management of forests on crown land on a sustained yield basis. Such management will lead to a more effective integration of forest harvesting and regeneration operations.

In addition to the major purpose, the bill provides for some housekeeping amendments aimed at deregulation.

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Bradley: Mr. Speaker, I notice on Friday the usual packed House.

Hon. Mr. Grossman: On your side, there is no one there; one frontbencher, one in the second row.

Mr. Bradley: I felt most members would probably want to stay around for the budget debate because I know they hang on each and every word every individual member brings forth in this House.

However, I recognize also it is an opportunity we have as individual members not only to comment upon the budget but to expand upon those items we feel might have

usefully been in the budget. It is an opportunity, particularly for individual members again, to express a point of view that is not necessarily that of a party, or of a partisan nature.

I will begin by commenting on the disappointment those of us who are relatively new to the House have at the degree of partisanship we notice in the debates. We recognize the British parliamentary system is an adversary system. Indeed, the opposition is here to exploit the weaknesses of the government—and that is often easy to do in this particular case, sometimes not so easy. We also recognize it is almost expected that in this House we are to perform in some manner—and I use that word in almost a theatrical way—perform and posture, on some occasions, to make the opposing parties, in this case the government and the party to the left, look less desirable to the population of Ontario than the party we happen to represent.

Mr. Kerrio: That's easy.

Mr. Bradley: I recognize this is part of the political game, if you will, but I still express some disappointment and I'm sure it's shared by those who are relatively new to the system and who find it difficult to become accustomed to it, or who come from levels of government, particularly the municipal level of government, where the degree of partisanship is not nearly what it is in this House or in the federal House.

Mr. Philip: It's just a little bit more under the table, that's all. Ask the man who's in the chair.

Mr. Bradley: I think we recognize there are people of great ability on all sides of the House. On some occasions we are not prepared to concede that, particularly during election campaigns. I can't help but express to the House my admiration for a number of people who sit on the benches of this House, at all levels, not just on the front benches where, of course, the people of experience or those who are reputed to have a degree of expertise or usefulness to the House are often elevated. There are many others we recognize who are on the middle and back benches who make a contribution, particularly in the committee system where they're not bound so much by partisan reins.

I also recognize we tend to have a friendship or a camaraderie among members of the House that perhaps the public doesn't recognize. I don't like to use the term "back rooms" but in the hallways of Queen's Park there are many who would find far more consensus on the manner in which to attack

certain problems in this province than is the case when we stand in the House to vote or when we stand in the House during question period or at other times to express our points of view.

I also express, I guess, disappointment to a certain extent—certainly concern—about the fact that individual members of this House, as individuals, do not possess the kind of power the public feels we have and perhaps some of us felt we might have at Queen's Park, and I am sure the federal people feel the same way.

The population at large, as we all know from dealing with our constituents, views us as being authoritarian figures to a certain extent, who can pick up a telephone and, for instance, instruct the Workmen's Compensation Board that the individual constituent who, of course, is very deserving, should get \$750 a month starting tomorrow. This simply doesn't happen.

It is frustrating for those of us who sit in this House to know there are very deserving people who do not have the ability or connections themselves to make known their position, or perhaps dramatize their position to such an extent as to get the kinds of results they want. It is frustrating that we, ourselves, are not able, in many cases, to get these results; consequently, the public tends to view us as being not as useful as they would like us to be.

Mr. Wildman: Do they feel that way about you?

Mr. Bradley: I haven't really concluded that the entire population has yet. I am sure the people of Algoma have had a little longer time to evaluate the member there and have come to the appropriate conclusion.

In relation to the overall budgetary situation in the province, I look at minority government and how it is working in the province of Ontario. I must say, initially I thought we would have great difficulty with minority government, particularly if the government in power were not responsive to the needs of the opposition. However, as a result of the two opposition parties having the number of members we do on committees, and having the consultative process of negotiation take place between the House leaders and others, I feel that minority government is producing, for the people of Ontario, something better than majority government has in the past because it is better reflecting the viewpoint of all of the people of Ontario instead of those who represent a plurality as opposed to a majority.

Unless we had a system of government—and I am not advocating it because I think

it has many drawbacks—which allowed proportional representation in the House, based on the percentage of the vote across the province, then we often have, in essence, a government which rests in power with even less than 40 per cent of the population approving of its policies at an election time. So I think a minority government is probably the in-between which can at least reflect to a certain extent the viewpoint of the entire population of Ontario.

I recognize as well that we, in opposition, are forced to be, if you want to use the terminology, more responsible as a result of a minority situation. When the government sits in the majority, it is easy to vote against all government measures, to be critical of all government because we are safe in the knowledge that we will not be precipitating an election at the drop of a hat. However, it is much more difficult, as members of the opposition, to vote for some measures that we are not entirely happy with, or to give some faint praise here and there when we feel the government is moving in the right direction so as to indicate to the public that we are responsible as well as being merely critical of what the government is doing in many cases.

I previously mentioned the committee system and some of the benefits I think we have at the present time. One is that it is not as partisan as the House. We also have the opportunity to examine witnesses and to have the kind of informal exchange of views, which is not always possible within this particular chamber.

I do, however, still have some concern that there is a degree of partisanship which should not be there. The individual sitting in the chair at the present time is a former cabinet minister and has a good deal of expertise in a number of fields as a former cabinet minister and in specific fields in the areas in which he served. Committees are well served by those who have had these positions in the past and can view things now from a different point of view, from outside the confines of the cabinet. While there is a certain prestige to being in the cabinet, I think one can certainly see the ease with which these members participate in a meaningful way in committee deliberations and bring their expertise. They do so on a less partisan basis than one might expect from former members of the cabinet.

I think the committee system offers an awful lot to us if we are able to take away those political strings, and if we're not forced in our own minds, if not by whips, to defend the position of the party at all costs. It

seems to me in this way we're able to come forward with the best decisions for the people of Ontario instead of those which are only politically popular.

I look at a situation we have in the province as well, because the provincial Treasurer (Mr. F. S. Miller) and the people on the other side naturally, tend to look to the federal government and place blame on the federal government when things are going wrong and take credit when things are going well. We expect this within a political system. I'm sure the federal government on many occasions looks to the provinces to blame when certain things go wrong as well.

What concerns me is the fact many see this situation and want then to erode the powers of the federal government. I spoke on a resolution in the private members' hour, a resolution which was presented by the member for Humber (Mr. MacBeth) as an individual resolution and one about which he felt very strongly. I indicated at that time a great concern about this erosion of federal powers. We have a very large nation, a very diverse nation. I think we all recognize that. At the same time, we have some particular interests in terms of resources, in terms of finances, and in terms of cultures, which are in effect being protected by the provincial government.

It is right to a certain extent that regional viewpoints should be reflected within provincial government, but what concerns me is more and more people in this country seem to be thinking in provincial terms as opposed to national terms. I'll take away the word federal and use the word national terms. We have a situation where it seems to me that only, and it's a generalization, the people of Ontario and the people of the Maritimes see themselves as Canadians first and as provincials second.

The reason in Ontario, as I think I indicated at that time, seems to be we have virtually everything here. We have the national capital here. We have most of the national institutions within Ontario or in very close proximity to Ontario. It's natural we would feel a greater affinity for those federal institutions and for the national government than those perhaps who are in the far reaches of the nation.

Secondly, the Maritimes, because of their financial position in the past and even to the present, are largely dependent upon the rest of Canada for some kind of assistance. If they were to develop and have natural resources which would make them self sufficient, perhaps that national feeling would be eroded a little bit in that particular case.

It concerns me we have only two areas of the country where I think people look at themselves—I'm generalizing, I recognize that—and think of themselves as Canadians first.

Naturally, we are all concerned about the province of Quebec and the situation there. I think we are heartened by the fact we have seen candidates who are committed to Canada winning in two recent by-elections. What is concerning me about that particular aspect is many people in this country—the population at large is generally apathetic and not really that interested, I don't think, about what is going on in the province of Quebec, unfortunately—seem to view this victory by Claude Ryan and by the other Liberal candidate in the Quebec City area as being a victory for federalism by sounding the death knell of separatism.

If we are to be lured into this false sense of security, it will be tragic for this nation. Those who have had the opportunity to travel into the province of Quebec to talk to the opinion leaders, to talk to the average individuals from Quebec, cannot help but be moved by the fact there is a renewed nationalist feeling in that province. While many are prepared to continue in the country they know as Canada, and are prepared to see themselves as Canadians in the foreseeable future and into the far future, they are concerned their own culture and their own language should not disappear.

[11:30]

The rest of us seem to look upon certain language legislation in that province as being stupid, as being ill conceived. However, we must recognize that the language legislation which has been passed in that province has a good deal of support, because there are those who are very concerned that in a milieu of 200 million or 300 million people in North America it is going to be difficult for the French language and the French culture to continue to exist.

It seems to me that we have to be somewhat tolerant—more tolerant than we want to be—of the idiosyncrasies of the present government of Quebec, whether they reflect the viewpoint of the population or not. If we are not prepared to be tolerant, if we are not prepared to make certain accommodations that perhaps we don't feel in our own mind we would like to make, the result is going to be a separation of one province. Let's be clear about this: If the people of Quebec indicate through a vote that they want complete separation from this country, it is going to be very difficult to prevent

that unless we are prepared to take military action.

We have seen examples of other countries where, if the viewpoint of even a minority is thwarted—in this case let's take it as being a majority viewpoint—if that is thwarted, the people tend to turn to violence. I am somewhat sceptical of those who say that at all costs we would keep Quebec in because we own it, because it is part of Canada. When the bombs start going off in the mail boxes or the department stores in Metropolitan Toronto from those who would be extremists, the viewpoint might then change, because we recognize that violence has been somewhat successful in other areas. It cannot be justified in a democratic country, in my view, when the viewpoint of the majority is being reflected and a minority is not being unduly oppressed. Nevertheless it does exist.

I would hope that we, as legislators, even though we are at the provincial level, would see it within our own minds to talk about this issue, to be leaders instead of followers in the opinion-making in this province. The popular point of view—let's face it—is to be anti-Quebec, anti-French, anti-Albertan or anti-something else, because we tend to then play upon the lowest common denominator, to play upon the basic instincts of people for their own survival; they look at others and are fearful of what others might take from them.

It is easy to go about in an election campaign saying "We are not going to concede any more to those westerners who"—legitimately or not—"are wanting more for themselves economically" or "We are not prepared to concede one more point to those who want francophone rights preserved across this country, perhaps on a national level, through the constitution."

We have seen examples, as we see in the present election campaign, of people who are running against things. During provincial elections—and this government is certainly not exempt from this—it is traditional in this country that provincial governments tend to run against the federal government. It is easy to blame the feds for everything. We saw an example of that to a certain extent—and I have a great deal of respect for the Premier of Saskatchewan, who I think has played a vital role at national conferences and who understands this country very well in terms of the national consensus that's required—when even Allan Blakeney during the provincial election campaign in Saskatchewan took some pot shots at the federal government.

Some may say the federal government deserves those particular criticisms and that he was within his rights. Nevertheless, it seems to me that Premier Lougheed in Alberta, Premier Blakeney, the Premiers in the province of Quebec over the years—right across the country, Premiers have generally run against the federal government. Now we have a situation where the Prime Minister is going about the country in effect turning the tables and running against the provinces. This has been national gamesmanship, I guess, for a number of years, but it seems to me that when we get this out of our system that we should look into the 1980s.

We are going to have to be looking more at, to recoin an old phrase—I don't know who originated it but certainly I was noting in a newspaper article the other day that Jean-Luc Pépin was always a proponent of what we call co-operative federalism. If we are going to really realize a situation where we have co-operative federalism within this country it is going to be incumbent upon provincial Premiers, provincial opposition members, government members, the members, of the federal parliament, to look more in a national sense to avoid cultivating within the population within their specific area an anti feeling, anti somebody feeling, and looking more at pulling together.

I recognize this is easier said than done and in the heat of an election campaign often these idealistic goals are somewhat forgotten. But I would hope, once again, that we would not have members of this Legislature who would go about the province in the next election campaign running on an anti-French ticket; or in the province of Quebec, during the next election campaign that takes place there, that we would have people running about the province of Quebec on an anti-English binge, which they hope would get them elected.

I talk about this as being a rather lofty ideal, but I think we have a sense of responsibility as individual members, particularly the leaders and those who have been around this House for a long time. The media look to these people for a reflection of the party views. I see the Minister of Intergovernmental Affairs (Mr. Wells) sitting across there. His record in this regard has been a fine record indeed. He has been one of the most progressive spokesmen in terms of federal-provincial relations and in terms of the French-English situation in this country that you could find on the government benches, and I say that not merely because he is in

the House, but by being in the House he just reminded me of that fact.

We have seen one of the booklets that has been put out in this regard, where the minister discusses this problem. He comes from an area which I don't think has a large number of francophones and I am certain if he were to run an election campaign taking a rather stridently anti-French point of view within his constituency he certainly would not be thrown out on his particular record in that regard.

Mr. Philip: He should speak to the Yaka-buskis and the Eatons.

Mr. Bradley: The member for Etobicoke brings up an interesting problem. If this is to be successful then we have to have pretty well a commonality of interest among members of all parties who are prepared to speak out on this issue and not be negative about it. I am certain it is embarrassing to some of those who hold these progressive views to have members within their own parties who are somewhat less than responsible in this regard.

I don't want to dwell on individual members at this particular time, but I think members of this House know from media reports across the province those who are prepared to do that and those who are prepared to take the high road that the Minister of Intergovernmental Affairs has taken over the years, particularly in these recent years.

I move on to the situation of employment within the province of Ontario and the employment situation, perhaps being a little bit parochial, that exists in the Niagara Peninsula. We have been viewed for a number of years in the Niagara Peninsula as the land of milk and honey, and once again I bring the Minister of Intergovernmental Affairs into this discussion, because he had an opportunity to visit the Niagara Peninsula recently and commented publicly and otherwise on the fact that when one visits the peninsula he finds out that everything isn't going as smoothly as we would like.

If it cannot be declared as a depressed area of the province it is certainly not the area that had all of the advantages that existed in the past, particularly when you look at the Lake Erie end of the Niagara Peninsula where unemployment is extremely high. It is consistently shown in the figures that unemployment is high in this area. When we see this area excluded from specific programs, be they federal or provincial which might provide some kind of incentives to employment in the area, we become somewhat concerned. We are always lumped in

in the Niagara Peninsula with the golden horseshoe, and the idea that somehow things are booming—and indeed the auto industry in my area is booming.

The unfortunate situation that exists is that we have people who are working seven days a week, 12 hours a day. Many of these people are my neighbours, who work this long and this often and it provides them with a good income. But one must ask himself on that basis, if they are working seven days a week and many 12 hours a day, aren't these job opportunities that could be shared with others? So we have a situation where industry—and I recognize some of the reasons why they would rather go to overtime than hire new people—could have the opportunity to train and hire new people and to provide a greater employment base, yet this is not happening. Government can intervene to a certain extent to assist in this regard.

We have had cases cited in this House; the leader of the New Democratic Party recently raised in the House the newspaper advertisement in Britain advertising for skilled tradesmen for the auto industry. Previous to that we have had other members from all parties—particularly the opposition parties, because we tend to look at these more publicly perhaps than the government members—citing cases in other areas. I think of Port Weller Dry Docks Limited in St. Catharines, which for years have imported skilled tradesmen to do many of the jobs that are essential there. Whether that is still happening I cannot say for sure, but this has happened in the past.

It concerns us that we have such a large number of young people in this province who want to work. Let us just put aside this idea that the young people do not want to work. Young people want to work, they want to earn a living, they want to be independent. We have this number of people across the province who are concerned about getting jobs and we have a situation where we are importing skilled tradesmen. I think we have to condemn the system which has provided this particular situation in Ontario.

Therefore, at long last we have to get really serious in this province about an apprenticeship program. I recognize that it is not government alone that can initiate and can be successful in carrying this out. It requires a good deal of persuasion of industry to co-operate in this regard, perhaps even to a certain extent some incentives to industry to do so. I am not talking about the outright giveaways, I am talking about certain incentives that might be made to industry to co-operate in an apprenticeship program.

There are those who would say that the unions are opposed to this, that somehow they are trying to block it, which of course is nonsense. Among the population of Ontario the unions have been those who have been pushing most for government programs which would provide employment. So an updating of this system, an improvement of the apprenticeship system, and perhaps a rechanneling of our activities within education to providing specific job skills is essential.

I think we recognize—as a former teacher before entering this House, I recognize—the goals within the education system have largely been, at least in the past 10 or 15 years, to provide skills at the senior elementary and particularly at the secondary level for further education. In other words, we had young people going into grades nine to 12 or 13 with the goal and working towards preparing them for either university or an applied arts course within a community college.

Once again, that is a lofty goal and there are many people we want to see continue their education, for education does provide not only skills in terms of job opportunities but other skills which we hope make people good citizens. But it seems to me that for those who are not prepared to or do not want to go on to higher levels of education we should be providing some skills so that when they leave secondary school they can market themselves as a marketable item in the job market.

That is difficult to do, one may say, because we have a situation where we have some cutbacks in education. When I say cutbacks I do not mean in the total number of dollars, but the general public is not as sympathetic as it was in the days when the Premier (Mr. Davis) was the Minister of Education or even in the early days of the Minister of Intergovernmental Affairs as Minister of Education. I am sure the public was much more sympathetic to the spending of tax dollars on education at that time.

It is unfortunate, but it is inevitable that the public is not so willing to spend those dollars now, because there are fewer and fewer people who have a direct interest in education; in other words, who have children within the school system or who have grandchildren within the school system even. When they cannot see a direct benefit from this, they tend to want to spend less on education, and when they look at declining enrolment they think it makes logical sense that they should spend less on education, perhaps forgetting the fact that there are many expenditures which are constant expenditures

which are there regardless of the number of students who might exist within a school system.

[11:45]

It means that we in opposition, and those in government, have to recognize there are going to have to be dollars spent on programs of this nature to change it around, particularly if we are to update the technical skills that can be acquired at the secondary school level so people can either move into an apprenticeship program or have skills which will allow them to step into employment at the ages of 17, 18 or 19.

I see, also, the need for an industrial strategy. We all talk about it. Some people don't know what it means. It has a different meaning for everybody, I suppose. We in the Liberal Party released a very large document indicating what our industrial strategy would be. The government from time to time has come up with measures which, while they haven't called them industrial strategy, one could say would be the government's industrial strategy. The New Democratic Party, of course, has talked about this and made proposals in this regard for a number of years.

I think we recognize now, to put it in a general context rather than to be specific, that we can't just go about this in a hodge-podge manner, throwing in a popular program here or meeting an immediate need there. We have to think in long-range terms for Canada.

The Minister of Industry and Tourism (Mr. Grossman) has discussed industrial strategy in this House on many occasions. We're all concerned about it, particularly those of us who have manufacturing industries within our constituencies. We are concerned about the General Agreement on Tariffs and Trade and the effect it can have on industries within this province and within this country, and the need to rationalize our industries to compete in those areas where we can best compete instead of trying to have tariff barriers which will forever protect industries which, in economic terms, simply should not be protected.

Nevertheless, we all tend to be protectionists, I think because we look at protecting individual jobs. Once again, it gets back to the education system, channelling people into different areas, retraining people through manpower retraining programs and so on so that if there are going to be closings in various industries these people are able to go to new job opportunities. Looking at it from the social program point of view, we

have to make certain that welfare benefits—in terms of national health and welfare as opposed to particular government assistance—we have to look at the situation in terms of portability of such things as pensions and other benefits, so that people can easily move from one job to another without losing the kind of things that come with long-term security in a particular job.

Mr. Riddell: One of Trudeau's recently announced proposals.

Mr. Bradley: I hadn't heard that. I don't get a chance to read the papers much because of my duties provincially.

One of our concerns is the \$200 million the government is prepared to give away in an unsupportable program. I recognize, I'll be fair to the government, a highly competitive situation exists in North America at the present time. I know they talk about the south and all the potential incentives and the attractiveness of putting money into the southern United States, the sunbelt, for various reasons—one of them being, that the labour union movement is not as strong in the south, and you can somehow get away with things in some of the southern states that you can't in the north; and also they have better weather and they might have other advantages as well. However—and this was expressed by the late Minister of Industry and Tourism, the former member for Sault Ste. Marie, Mr. Rhodes, and by the Premier himself, and certainly by many of us in opposition—we have a great reluctance to get into a bidding game.

The Ford plant deal was a good example. It looked like the cannons were pointed at our heads, that someone was about to touch off the torch and boom, everything was going to be gone south. Somehow, a decision had to be made; and we, as legislators, this government and the federal government, were stampeded into making a decision.

If you are from Windsor or the Windsor area it's great to have the Ford plant there; it's a great employment opportunity, not only for the young people but for other people in that area. And the construction industry; it's a real boon to Windsor and will create an economic boom for that area of the province. We're happy to see that.

What concerns all of us in this Legislature, I suppose, is where does it all end? If you give it to Ford, who else do you give it to?

I've been invited to different affairs where I've had the opportunity to talk to representatives of industry. I've met with the chamber of commerce in the city of St. Catharines, and with representatives from the auto industry

and other industries there. I stated at that time my great reluctance to support his kind of program of taxpayers' dollars being given away to large corporations which have enough funding to expand. But to a man, or to a woman, they have said to me, "As long as that's the name of the game, we're going to get in on the game." Surely we could foresee this somewhere down the line, that everybody to now going to be saying, "We'd rather go to Alabama, Tennessee or Georgia, but perhaps if there is a little cash in the kitty we're prepared to stay in Ontario."

It seems to me, rather than do that, we have to provide an economic climate in the province which makes them desirous of investing here without giving away the ship. These direct incentives are not necessarily the answer.

The president of General Motors, Mr. E. M. Estes, was in the city of St. Catharines a few days ago and I had the opportunity of attending a luncheon as the local member—the mayor and regional chairman and so on were invited. He talked about many of the advantages we have here. Not once in his conversation, I don't know whether he is aware of our program or not, did he mention any incentives.

We like to be self-deprecating, I suppose; we like to look upon ourselves as being somewhat less technically able than the Americans and maybe not having the skilled workers and so on—at least some critics of our industry in the province like to say that. Mr. Estes took a contrary point of view. First of all he said we are very efficient in this area. He said he was happy with his operations in the Niagara Peninsula and that we had a very productive work force. He said we had a stable community there and that he was very happy; this was one of the more successful operations he had.

Contrast that with those who have been saying, for a number of years, that Canadian workers are lazy, that they don't want to work as hard as the Americans or they're not as skilled or things of that nature. The president of General Motors is saying exactly the opposite. So it seems to me we have a lot of assets in this province without getting into the giveaway game.

How we phase out of it is another matter. It seems to me there has to be some negotiation, and I recognize this is difficult between the Canadian government and the American government. There must be negotiation between the American government and its various states and the Canadian government and its various provinces over withdrawal from the giveaway game, because

everybody seems to be playing that game. I do recognize if we don't do something we will be somewhat left behind.

I mentioned the labour situation in the province. I come from a community where there are approximately 10,000 members of the united auto workers, another—

Mr. Mancini: They all support Jimmy.

Mr. Bradley: —large number of people from the United Steelworkers and members of other strong unions. We have had our share of strikes, but by and large the collective bargaining process has worked quite well within our area, and certainly within the province. We see headlines which indicate to us that somehow we have the worst strike situation in the world. We forget—and the Minister of Labour has mentioned this on occasion—that most of the contracts that come up are signed without government intervention. If there is government intervention, most are signed without resort to the strike.

Mr. Philip: With respect to the post office, our rate isn't all that bad either to look at.

Mr. Bradley: I understand, compared to some countries, that is the case.

Nevertheless, we've had reasonable success. But we recognize the fact it isn't the perfect process.

I went through a situation in my community where a plant was closed down; Columbus McKinnon chain, which for years had been a very important part of the community. This was something which caused anguish for the member for Brock (Mr. Welch), who shares the city of St. Catharines with me and knew many of the people who worked there; the Minister of Labour, who worked very hard on that; and members of both opposition parties. The latter expressed their concern, in the House and otherwise, and voiced certain points of view on how this might be solved.

In Ontario in 1979, it seems to me, there should not be a situation where a plant closes down because a dispute simply can't be solved; where a company says, "That's it, we don't care if the Minister of Labour is going to take any action." Of course the company's ultimate decision being made on the other side of the border frustrates all of us.

I recognize there are some on the other side, and perhaps some within my own party, who will say that if we make the labour laws too strict and too tough in this province we're going to scare companies away. We will have companies moving out and others will not move into the province. If the laws are fair and if they are clearly

defined, it seems to me that won't happen; if we have other attractions, that won't happen.

In this particular case, as a minimum, without getting into a dictatorial policy, there should have been a situation where that company should have been required to make a final offer to the individuals who work for that company. It made an offer. We recognize that the strike had been on for a long time. I had asked the then Minister of Labour (Miss Stephenson) to intervene personally. She chose not to. Perhaps that might have helped; perhaps it might not have. I'm not prepared to point the finger of accusation without the kind of evidence I would need to show that her personal intervention would have helped, but I personally have the feeling it would have.

She had her top mediators involved. We had a situation where one party was on one floor and one party was two floors down. We did not have the across-the-board confrontation in negotiations that were necessary to bring about a resolution. The company was never required, at the last point in time, to put an offer to the workers and say, "Look, this is our economic situation. This is all we're prepared to offer, take it or leave it."

I am a person who comes from a family which has been involved with labour unions in the past. My father actually worked at Columbus McKinnon Limited before the strike and had been through a strike a number of years before, a strike of about four months' duration. I know many of the people who work in that plant, and that probably makes even a greater impression on an individual legislator. It's one thing to talk about facts and figures in labour confrontations and economic issues; it's another thing to know the individuals and to know the guys who are sitting on the negotiating committee. They're your neighbours. They're people who, because over the years you've gone to the plant gates, can call you by your first name. As politicians, we probably tend not to go to the plant gates enough. We go there when we're looking for votes and we don't go there any other time, it seems to me. We go to labour meetings when they invite political members. This is an aside, I suppose.

Here were people I knew, some of whom had worked there for 20 to 25 years; who had security, who didn't mind their jobs that much, and who, in the final analysis, when an offer was put, might have been prepared in the short term to accept a contract for less than what the negotiating committee originally thought was desirable. I worked

with Mr. Bill Marshall, who is a well-respected individual. He is the international representative for the United Autoworkers of America in the city of St. Catharines and he does a lot of negotiating. I thought he was being very fair in his negotiating process and in what he was prepared to accept and sell to the guys who had been out on strike for a long time.

The Minister of Labour (Mr. Elgie), who was very new to the job—that's the first problem I hit him with—worked very hard in this regard. I had a good deal of respect for him in this. He was very concerned and genuinely disappointed and disgusted when in effect he went to the company in this case and said, "Look, I'm prepared to go over the heads of the union and call for a vote which my ministry will bring about in this plant among the workers if you are prepared to put a last offer on the table." For a new Minister of Labour who would not want to alienate the labour union movement to say this because he recognized the desperation of the situation, to be turned down by the company officials is disappointing.

It seems to me we have to work in this House toward better conciliation methods, better mediation methods and perhaps alterations to the labour laws of the province of Ontario, at least to make compulsory a final offer to the workers in a situation such as this.

In the peninsula and across the province as well, we look at the field of environment. We in opposition have talked a lot about balancing the budget and so on. I personally think it's difficult to balance a budget in difficult economic times. It's a goal we try to work towards. Perhaps we can be critical when we see people trooping across the province during an election campaign telling people they're going to balance the budget and then don't, we can be critical from that point of view.

I want to be fair and reasonable and recognize that the role of government is not the role of business. We're not running a business here. I dislike it when I hear people say government should be run like a business. Yes, we like to employ many of the methods of business. We want to be as efficient as possible. But government is dealing with services to people.

[12:00]

When the provincial Treasurer comes forward with a budget, he has to recognize within that budget that he is providing services which are essential to people, particularly to

those people who do not have the position, socially or economically, to defend themselves; therefore, government must be in a position of doing that.

When I hear about deregulation, and when I hear about government withdrawing from this area and withdrawing from that area, I wonder who is going to speak for the small individual, if not government. We talk about big government, big business, big labour and so on. To centralize on big government for a moment, government is there largely to speak for the individual who is unable to defend himself. Big business will be generally all right without too much government intervention.

When I talk about big labour, the large and successful labour unions will extract from the companies those benefits and wages which they feel are deserving for their members, and they are successful because they are large and united units. So there are workers within this province who are organized by unions and who are living a pretty good life compared to others.

But what about the large number of people in Ontario who are not protected either by their financial position in terms of business or by a large labour union, the unorganized and others across the province who are perhaps not involved in the work force but do not have anybody to protect them? It seems to me this is where government comes in.

One area I look at is that of consumer and commercial relations, for instance. The Minister of Consumer and Commercial Relations goes across the province and tells people he is going to deregulate here and deregulate there.

On the other hand, we have a population at large which is saying, in effect, "We want government to protect us against the ripoffs—to use modern terminology—that we have within society, particularly in terms of two things: price increases that cannot be justified logically or fairly and the quality of products being produced.

It seems to me that, rather than the government getting out of everything holus-bolus, they should be very selective in those areas from which they are going to withdraw, because the public, once again, is not in a position to look after itself in this regard.

We must also look at why the government is there in the first place. If certain industries were able to clean up their own act, then the government across the floor, with the support of the members of the opposition, would not have had the government intervene in specific areas. If business is prepared to police itself in a meaningful manner to protect the pub-

lic, then government is in a position to withdraw. There are many people who are rather sceptical about that situation, except in those areas where they have demonstrated this in the past and where they have a good public record.

I would hope, when we talk about budget cuts, that the Ministry of Consumer and Commercial Relations would continue its role—or at least get into the role of consumer advocate, because sometimes we feel they are not necessarily continuing the role.

In education we see once again, without being repetitive, the fact that the government feels continued expenditures at the rates at which they took place in the past cannot be justified. We ought to recognize—and those of us who have been directly involved in the education system probably recognize this—that the schools in recent years have assumed a new role.

With the number of families now where both parents are working for instance, the number of hours the students spend in a day at school is probably greater. Lunch hours are often now times where students stay at school. We have a number of families where both parents are working. We have far more single-parent families now existing. The social aspects of the job, those things which the public is looking for schools to do, are far greater in number than they ever were in the past. The schools are going to do this; we are going to have to have the personnel within those schools; we are going to have to have the training for those who are working within that system; and we are going to have to fund it in a proper manner, largely from the provincial level.

I am now saying now that it should be 100 per cent funded from the provincial level overnight, by any means. I am suggesting the province should assume a greater proportion of the cost of education. Some have suggested up to 80 per cent over a number of years, and I think that might well be a reasonable goal to set. I say that mainly because, and it's been said many times in this House, the provincial government has available to it many more financial resources—albeit it all comes out of the taxpayers' pocket—and fairer methods of taxation and a broader tax base from which to choose where it is going to get its funds. The government, once proud of its spending on education, now seems to recoil at any suggestion there should be further increases or we should continue the funding at the rate it took place in the past.

The value of education at the higher level cannot be denied. There are some who say,

and we in the opposition have said many times, it used to be you were guaranteed a job if you came out with a general BA or with a grade 13 degree. That cannot be said now; however this does not mean education should not continue to be very important for people.

One area I would specifically like to look at in terms of funding is that of special education. I was at a meeting the other night that had nothing to do with special education, I think it was a sports meeting of some kind, however an individual who was there, who is a constituent of mine, told me a rather heart-rending story of which I wasn't really aware. I think somewhere along the line I had one of his children as a student, his daughter or son, but he was talking about a younger son. This is now a grown man, a man who is involved in athletics and the last person you would expect to be emotional, but he told me he had on more than one occasion sat down and cried in frustration at the fact he could not say to his son the kind of education he needed could be provided in terms of special education.

His son happens to be an individual who does not function well within the general academic situation we have in our schools. However, because of a lack of necessary funds, his son was not able to be assisted on an individual basis or on the kind of basis necessary to bring him up to a level around his age. We are talking about a boy of about 14 or 15 years working at about a grade five level. It is a tragedy for this individual that somehow the education system had failed his particular child.

He recognized the child had special problems and the general education system could not be expected to handle these problems, but he was very bitter about the fact he could not give an answer to his son. They sat down together in tears of frustration over the fact this boy was not able to advance and to acquire the necessary skills. That human aspect should be taken into consideration when we look at spending on education.

In the field of the environment, I would like to very briefly mention that we who live in the Niagara Peninsula, since we have been in the forefront of publicity in terms of the environment, see the expenditures given to the Ministry of Environment as very useful. I am appalled, as I am sure are all members of this House, by the situation that exists in Lake Erie and Lake Ontario and those rivers and streams that run into Lake Erie and Lake Ontario. I am appalled by the amount of waste that has gone in

and at the lack of co-operation we've had internationally over the years in solving this problem. It seems to me people in this province, even though they talk about cutting back and so on, are still very concerned about the quality of life. If you were to go door to door and in simple terms ask them: "Do you want Lake Ontario cleaned up although it's going to cost you a pile of money?" I'm certain you would find the overwhelming majority of people would be prepared to put forward the kinds of dollars necessary to keep our environment clean where it is clean and to clean it up where it is not so at the present time.

I hope the government does not hesitate to get into the monitoring of the lakes for such products as dioxin and others which are detrimental to the health and safety of people within this province. I hope the government continues to pursue, albeit some of us are not very happy with the rate at which it is pursued, the cleanup in terms of industry.

We recognize we are in a situation where there are those who will say it's either jobs or the environment and we can't have both. Members of the Legislature to a person should not be prepared to accept that. We will disagree in some cases on the rate of cleanup that is necessary. We will disagree on who is responsible and who shall pay the bill. We will disagree on the nuances but, to a person, in this Legislature, we should be committed to clean up the environment and not to submit to the kind of blackmail that some within our society were prepared to face us with in the past.

Mr. Gaunt: Amen, brother.

Mr. Bradley: This is housekeeping, so I don't know how expert I am in this. I haven't found yet in my two years in the Legislature why we have provincial secretariats. Is there a good reason for having provincial secretariats of things?

Mr. Ruston: No one else has either.

Mr. Mancini: Ask the Provincial Secretary for Social Development (Mrs. Birch).

Mr. Bradley: Perhaps I am wrong, and I concede that, but I really don't know what provincial secretariats do. Perhaps I should read some information on the secretariats more than I do during the estimates. I really somehow think that we could get by without the provincial secretariats and have the ministers either shifted into other areas or somewhere else, heaven knows where. I just haven't found any use for the secretariats. I somehow think that the money could be either saved and returned to the taxpayer

or channelled into areas which would be more productive. I haven't found an argument against that yet. I see smiles amongst members of the House, so I guess this is not a new matter which I am introducing for their consideration.

I want to pick a couple of other areas to touch on, and I promise I won't be too much longer because there are other members waiting to speak. Being an urbanite, my desire is to see agricultural land in this province preserved. This is not a very popular position, may I say, in an area where there is high unemployment. Once again, just as they use the argument that we can't have a cleaned-up environment and jobs at the same time, they will say we can't preserve agricultural land and have jobs at the same time.

In the Niagara Peninsula, we feel we can. We have some unique land across this province that must be preserved. We must make it viable, of course, for the farmer to continue to exist. We must have defined urban boundaries which allow growth for municipalities and which allow room for industry to expand, but ultimately we must have a commitment, which we see to a certain extent in the green paper—I think it's a green paper—produced by the Minister of Agriculture and Food and by the government and by the advocacy of members of the opposition. It's a tragedy when we see many of the agricultural lands right across the province of Ontario paved over because of mistakes that might have been made or ill considered decisions in the past.

It seems to me that in the province of Ontario we have what the Middle East countries have under the ground we have on top of the ground and very close to the surface. The agricultural industry in this country and in this province can only increase in importance as the population of the world increases and as the demands for the kind of food we can produce increases. It seems to me we should look upon agriculture as an industry as opposed to just an occupation for gentlemen farmers.

I say this as an urban individual, although some would say it's always easy for the urbanites to save the agricultural land because they don't have to put up with the problems that the farmer has. That's why I don't exclude the fact that we must be prepared to pay a fair price to the farmer and to give him the kind of tax breaks and other considerations necessary to keep him in business. But I appeal to members of this House not to forget the agricultural lands

in our quest of pushing for more and more jobs.

I have made many speeches on regional government in the past. Only in passing, I will say that I was pleased with the announcement of this minister that there would be no more regional governments introduced in the province of Ontario, at least in the foreseeable future. I won't go into great lengths on this because I have spoken many times in the past, but I hope we will re-evaluate the circumstances we have now where I feel regional governments are: very costly and not close enough to the people. I hope we will look at those and we will make the kinds of modifications and changes, or even abolishment if it's necessary in certain areas. I hope we will look at these changes realistically and freshly and proceed with municipal reform only after we have evaluated carefully that which we have at the present time.

[12:15]

Mr. Speaker, in fairness to the other members of this House who wish to speak today—I could go on about health services, but suffice it so say that I am one of those who believes that we should retain and maintain a very high level of health care in Ontario. Once again, as I read the population of this province, they know it is costly, they know it doesn't come easily, they know that doctors will receive a high sum of money for their services, they recognize that the technical innovations that we have cost a lot of money, they know that the operation of hospitals within small communities may not be as efficient as they would like, they know that it may be expedient to close down certain wings of hospitals, and they recognize that there must be efficiencies effected.

But I would hope that we would retain across this province a very high level of health care, which I consider to be a priority in this province. I really think the government makes a mistake if it slashes too much in this area. I talk particularly about hospital care. Many of us have not been in a hospital as patients. I haven't had as much as a broken leg or anything that would bring me to the hospital, other than a few stitches after a hockey game, but those of us who have had friends and relatives within the hospital care system recognize just how important it is to have the very best that we can have in this province available for us, to deal with the major diseases that we have, to deal with accidents and so on.

I would implore the government to evaluate very carefully any of the changes before

implementing them, to try to avoid the front line changes that take place, and here I am talking about nursing care. The government goes to the hospitals and says: "You have got to cut," and okay, I am generalizing again, but how many times is administration cut first and the front line people cut second? Not too often. We have some essential services: we need beds available, we need nurses, we need those who provide the care other than the doctors.

Of course, we need the doctors, but we need many people within the system and many facilities that require funding, and I don't think that we as legislators should back up an inch from that particular goal of providing and continuing to provide—and I congratulate the government and all members of the Legislature for supporting it in the past—a very high level of health care in this province.

These are just a few of my thoughts on the budget. I have many other areas I would like to discuss that I will take advantage of in perhaps future budget debate. Overall, I am not overly enthused with the budget, particularly some of the tax increases. I am disappointed that there were certain items that were not included in that budget, but I only express the hope that, having made this one attempt and having had the input of the members of the opposition and government back benchers and others, the government will make a renewed effort to bring about the kind of budgetary policy that we in this House feel is necessary to provide a better life for the people of the province of Ontario.

Mr. Renwick: Mr. Speaker, I appreciate the opportunity to follow the member for St. Catharines. I find him to be very much his own man and very independent in the views which he wishes to express. He has made what I believe to be a contribution to the budget debate which mirrors exactly what a budget debate should be about in this assembly; that is, to give members the opportunity to reflect upon some of their concerns that relate to the province as a whole, relate to the particular areas of the province that they represent and reflect upon the nature of this institution and the kind of society that we wish.

I am looking forward to the contribution from the member for Armourdale (Mr. McCaffrey). I have spoken with him and he assures me that whether he reaches the list today or not, or whether he is partly on today and partly on next time, is a matter of no concern to him, so I do not feel particularly

inhibited in the remarks that I want to make because of the pressure of time.

Mr. Gaunt: I am going to be here to listen to both of you; that's all right.

Mr. Renwick: I just assumed that the member for Huron-Bruce would be here.

Mr. Speaker, may I congratulate you and your colleagues, the member for Perth (Mr. Edighoffer) and the member for Humber (Mr. MacBeth), in the way in which you oversee and supervise the procedural affairs of the House? As you are well aware, in the course of the time we have been in the House together there has been a significant improvement in the procedural affairs in the House and in the rules which govern our proceedings.

I want to say that one of the matters that has impressed me immensely is the way in which the offices of the Clerk of the assembly, under the direction of the Clerk, has responded so very well to the increase in the significant demands being made upon the staff of the assembly as it comes under the jurisdiction of the clerk. The members of that staff who are serving the committees in their new and enhanced roles in this assembly are doing a first-class job for the members.

I am particularly impressed, only because I have been sitting on that committee, with the member of that staff who has been the clerk to the standing general government committee, which is dealing with that very important but very tedious and laborious bill known as Bill 163, which may see its light in the committee of the whole House before the turn of the 1980s if by any chance we on the committee can survive that long.

I do, however, wish to say that the role which that staff is playing is an essential ingredient to the way this House functions and, through its various instrumentalities, the way it functions in the committees. It is a matter of the progress of the maturity of this assembly that, from playing a role which was sometimes to look after the personal needs of members rather than to have any significant and important role to play in the work of the House, that branch has developed into a very professional and very necessary part of the institution of parliamentary government as we know it.

Because of a pressing engagement elsewhere, I was not able to be here when the Treasurer presented the budget, but I did have the opportunity to read his statement—and, to my surprise, to re-read it to find out what the new Treasurer was saying to the province and what he was saying to the members of the assembly. It struck me that

the Treasurer was wrong in the emphasis in his budget presentation. He endeavoured to simplify, in a way that is unacceptable to me, the kind of budgetary approach which this province must of necessity have.

The time has passed when we need in the budget of this province the kind of rhetoric that appeared in the Treasurer's budget. We are all quite aware of his personal philosophy, as we are of the personal philosophies of many of our colleagues in the assembly because of our association. We do not need to have their individual personal philosophies clothed in some form of pseudo-rhetoric for us to be able to understand the economic conundrums facing the government of the province and facing this assembly.

I refer particularly to his reference to jobs and to inflation; there was little if any reference in his budget speech to the question of economic growth and to the question of income distribution or fair shares. Whenever we speak of a budgetary proposal these days, we must touch upon all parts of those four positions, which are essential to the kind of balance we want.

Because of his failure to understand the necessity for economic growth, because of his failure to emphasize the failure over the years of this government to sustain the economic growth of this province, and because of his failure to recognize the need for fair shares for people in the province, we have before us a budget posited upon the proposition that only by and only through the private sector are we going to be able to achieve the society we want.

I say—and I emphasize again—that the distortion which the Treasurer conveyed in his budget speech to this House is an imbalance in the way in which the government must play its role in the economic life of the province and in the urgent need to maintain an egalitarian society in the province through real income redistribution.

There is little, if any, recognition by the Treasurer that apart altogether from the transfer payments made to assist people who are in difficult economic circumstances in the province, the lower 20 per cent of the population in income terms, and the lower 40 per cent, have a decreasing—perhaps marginal, but a decreasing—share in the overall participation in the wealth of the province; while those in the upper quintile, the top 20 per cent, have an increasing share.

We have made little, if any, progress with respect to income redistribution; the ability to provide people with the kinds of economic security which will lead to them having an

enhanced sense of their own dignity in the society in which we live.

Why is that so? Because of a misconceived notion about the role of government expenditure in maintaining the kind of balance we all believe is necessary for the continuing growth and development, in all its aspects, of this society.

Everyone recognizes—and it is no particular sinecure or area where one party can claim any more right to its possession than any other party—that there has been an expectation on the part of the public for services provided, which is beyond the willingness of the public to pay by way of taxes. That's the problem, not that government expenditure is wrong. Not that government expenditure in some way is profligate. Not that government expenditure is in some way ill-advised, or that it is luxurious, or that it is a waste of taxpayers' money. But a simple recognition that there has been a failure of government to explain that the level of services and the quality of services which the electorate of this province expects, has to be paid substantially and significantly through the tax system and not by way of budgetary response through a deficit.

Of course, there's a reasonable deficit that can and must be carried by a province such as this on an ongoing basis. But the difficulty arose because people do expect a high quality of government performance in the area of provision of those services, which can only be performed by government, and which eat up the large part of the government's expenditures.

The government has failed because it hasn't had the determination to face up to the problem that it must raise those funds by way of taxes and it must take the political hazard and assume the risk of increasing taxes without adequate explanation of the reasons for it. But to suggest, in reverse, that there is something wrong with government expenditures, that in some way one can reduce government expenditures without affecting the quality of the services which government and government alone can provide, is to produce a situation we are facing day-in and day-out throughout this province in every field in which government service is provided.

[12:30]

When the government reduces the amount of expenditure available for those areas, it has to spend what remains on the general level of the supply of those services and has little if anything left for those very sensitive, quality areas in which expenditure must be

made in order to provide for people in various walks of life and from various economic strata their opportunity to participate in an equal way in this society. So we get special programs cut back. We get special needs of the society affected. We get special health concerns affected. We get special environmental problems affected. We get the educational system affected in the quality areas.

The problem is that it is only a small portion of the population in any one of these areas which is able to articulate to the public its needs and they seem always to be speaking for some limited special purpose. When one adds them all together the sum of it means that there is a significant disenchantment in the province with the restraint programs which are now cutting into the quality of the performance of government services throughout the province.

I want to leave the budget for a moment and go on to some matters which are of interest to me specifically as the member sitting in the assembly for Riverdale. I'm sure I share with every member of the assembly the immense difficulty about the role of the representative in this assembly of a riding in the province. We all have this problem of exercising our judgement. On occasion, we have the problem of exercising our conscience in relation to the judgements we bring to bear on topics. We all pay our respects that we represent a particular riding and that we are here to reflect the views of our constituents.

We all take refuge in Edmund Burke's letter to the electors of Bristol as to our role, so that we cannot be seen merely to be a sort of mouthpiece or an advocate solely of those views of one's constituents, but we have an obligation to exercise our judgement. All of us meet together in our caucuses in order to find a common basis on which to provoke the policies, the principles and the actions of the particular political party to which we owe allegiance. In a funny way, bringing our own particular skills to bear, we all try to resolve that kind of problem.

I can say frankly to the assembly—and I don't believe for one moment I'm different from any other member of the assembly—that I do not know I have no means of finding out as I have no resources, and even if I had the resources I wouldn't know how to use them, what the people of Riverdale feel about the quality of education in the schools located in Riverdale.

I have no general way of knowing though I can sense things. We all pretend as poli-

ticians that we have some instant mechanism which provides us with the intuitions to assess what the people in the area wish their representative to do. I think that if our democracy as such is going to work, then at that very fundamental constituency basis I would welcome an opportunity in some kind of adequate forum, perhaps during the course of a summer—maybe not this summer but some summer—to sit down with some of my colleagues to find out how does one really represent the area which elects one to come to this assembly?

Is it because we simply call on people and talk to them? Do we come here and participate in discussions and debates about matters on which we rely entirely upon this so-called instinct, or in some arrogant way superarrogate to ourselves the right to say how we will deal with this particular issue or that particular issue? Do we then simply, whenever there is a general election, trust that somehow or other what we have done, mostly unknown, will be approved by the electorate and we will be returned?

I think that is a very essential part of any system of government which says that we govern by the consent of the people and that the ultimate sovereignty resides with the people. I just don't know the answer to that.

I suppose I participate on an average the same as other members do in activities in one's riding, in associations in one's riding. One receives correspondence and telephone calls and we circulate in our ridings from time to time and we give out reports with questions and hope we will get a response. I do not know the answer, and I believe it to be a very significant problem, in an urban society particularly. In the kind of society that is an industrialized urban society we have to, in some way, decide how we represent the areas which traditionally have been represented by members in this assembly.

I want to turn, if I may, to three matters of immense concern to me in my riding. I have to say that Ontario Housing Corporation, reflected in the OHC development in my riding, is a disaster. It's a disaster for the community surrounding it, it's a disaster for the people who live in it, and it's a disaster for what started out years ago to be a positive involvement of government in the provision of low-income housing for persons on low incomes in the province. What was a significant initiative by government in a field which has been neglected and is now being neglected, the development of housing for people, has turned out to be a disaster.

If any member of the assembly would come with me to the Blake Street development and inspect those buildings without knowing it was OHC that owned them, he would say that absentee landlord—and OHC is an absentee landlord in my riding—should not be allowed to carry on its business in Ontario. It is just that bad. I'm not given to gross exaggeration or, indeed, in this instance, to any exaggeration.

The management of that operation has been delegated by OHC to Greenwin Property Management. There is no connection of any real significance to that development as a community of its own with special needs and special requirements. OHC built that development in my riding in the period just prior to the 1967 election. I remember it well, because at the time Mr. Stanley Randall was the Minister of Housing. I was the member for Riverdale.

It was opened during the course of the election campaign. My then opponent is now an alderman sitting for the city of Toronto, Mr. Ying Hope. In those days, politics was played rough in Riverdale, because Mr. Ying Hope was invited to participate in the opening ceremonies but the sitting member for Riverdale was not invited to attend on that occasion.

I would certainly welcome Mr. Stanley Randall and Mr. Ying Hope to come back and inspect the buildings they opened with such fanfare on that day. Since that time Ontario Housing, having built a facility with absolutely no community facilities of any kind within the development—none whatsoever—has consistently opposed every attempt, by denial of resources and supportive services, to form a tenants' association in that complex. There have been a number of attempts to do that. I have tried to participate in a small way in providing support to them. I have met with Ontario Housing about it, and they have attended meeting after meeting. I can only say in my judgment, their role was so passive as to have been subversive of any opportunity for the tenants in that community to have participated in a meaningful way in the maintenance of that community in the way in which it was necessary for it to be maintained.

The property to the north of the Blake Street development was a wasteland. There was a derelict Dominion store. It was one of those stores which Dominion Stores vacated early, as it often does. It left the area with this derelict shell, which at some point in history will be rediscovered as the archaeological ruins of Riverdale. Further

to the north, there was a wasteland of mud leading on to Strathcona Avenue and to Earl Haig School.

The people in the area, some of them from the Ontario Housing Corporation development, particularly a person by the name of Nellie Williams, persistently and consistently worked with the city over a period of time. Fortunately, the council of the city was empathetic so before the 1975 election we were able to see developed a community centre. Her Honour came and opened it. It was an accident of course, it opened during the course of the 1977 election campaign in Riverdale. I was able to be there that day to welcome her to the opening of that centre.

Ontario Housing Corporation did not contribute one cent to that community centre. Having defaulted in providing any community facilities for their development, they did not contribute services or support facilities of any kind to that community centre, although asked to do so. They say there is a community room in the development. Well, I would take you to it, Mr. Speaker. It is so sparsely and inadequately furnished and so inadequate for all purposes, there is no way anyone would meet there.

The city of Toronto has a very fine way of taking buildings and renovating them and taking property and fixing it up. The property to the north is now a picture to see and a very valuable and important addition to the area surrounding that building, but in the centre stands this ruin.

I say the sooner Ontario Housing Corporation gets out of the housing business and transfers it to the city of Toronto non-profit housing with proper support so they can take over the running of it the better. I am sure they won't thank me for asking them to do that. If not to them, they should turn it over to some co-operative organization that knows how, in co-operation with people, to make a community where the great bulk of the tenants, of necessity, through economic hardships and other disabilities, have to live in that kind of situation.

[12:45]

Perhaps the members who happen to be sitting in the House at this time, who sit with me under the chairmanship of the member for Armourdale (Mr. McCaffrey) on the standing general government committee, will get some idea of why I am terribly concerned about the provisions of that bill relating to something called subsidized public housing; the kind of subversive tyranny which is exercised by Ontario Housing with respect to the demands for details of income which

are an insult to the people who have to supply them; and at the harassment which Ontario Housing Corporation permits because the people live in fear in that housing development about whether or not they are going to be allowed to stay there under difficult circumstances so the landlord doesn't have to perform its obligations to maintain those buildings properly and in good repair.

I haven't had the time—and I'm not an expert—to be able to look into it, but the riding of Riverdale sits in 55 division of the Metropolitan Toronto police. In the particular area that comprises four or five other divisions, mainly in the central part of the city, if one looks at the record of juvenile arrests—I'm not talking about convictions—and plots them on a chart, it just goes like that in 55 division. I don't know the reason for it. Some day I'm going to have the time to find out in co-operation with the police and in co-operation with some of the men and women in Riverdale who are spending their time trying to assist people in their adolescent years in that area.

I would hazard a guess that there is something which I could call police harassment in that area. I'm not saying that in an invidious way about the police, but the situation is such that it attracts that kind of problem. It attracts that kind of response. I would guess that a significant part of that immense jump in 55 division as compared with other areas under the control of that division of the police force relates to the disaster which is Blake Street, which is owned by Ontario Housing and which is a disgrace to this government and to this Legislature.

Enough of that. I feel very deeply about that matter and I am so concerned about it that I would welcome an initiative by the government to open up negotiations immediately with the city of Toronto non-profit housing organization for the speedy and immediate transfer, with proper financial support, of that development to the non-profit organization of the city of Toronto, which with restricted resources is undertaking an empathetic, understanding role with respect to the needs of proper housing for people in the area.

Let me speak briefly about Canada Metal and the lead problem. This goes back to the restraint program. After what we had gone through in the Riverdale area about Canada Metal for at least two years, I could not believe that the problem is now back with us. It is back with us in dimensions which are as yet unknown because the information is not public and when we do get the informa-

tion it is of historic value only because it is so old.

I can't conceive that a corporation can be allowed to so harass the Ministry of the Environment over the period of time when the cleanup was taking place that somehow or other the ministry is unable to maintain even the standards which it has put out as the kinds of standards which will not affect people in the area.

If one will notice, the only thing which has saved the ministry on this occasion is that the prevailing winds are east and west. It's the only thing. How does the ministry seize upon that in my riding? They refer to the high levels as being in the industrial park and not in the community where people live. The community where people live is one street width, Eastern Avenue, north of the plant. They purport to say that the community is not affected because it is to the east or to the west and the winds were blowing in that direction. I do not think one has to be a genius in Toronto to know that the prevailing wind is either the east wind or the west wind. That's the kind of disguise which the ministry, in trying to justify its position, unconsciously falls into in putting forward to the people in my area what is wrong there.

Then by inadvertence—fortunately because of the vigilance of the Globe and Mail, with whom, by the way, I do not always necessarily agree; nor they with me—we find that some of the soil is contaminated. Just before the 1977 election, I got from the then Minister of the Environment (Mr. Kerr) a list of the various houses where the soil was changed. Now I am told, but not in specific terms, that there is either a recontamination or that there are new areas of contamination where the soil will have to be replaced.

In any event, when I say "we", I mean the South Riverdale Community Health Centre—have invited the Minister of the Environment (Mr. Parrott) to a public meeting towards the end of May, a date which can be adjusted to meet the minister's convenience, along with the president of Canada Metal, the chairman of the Toronto board of health and, I would hope, the Minister of Health, to come to that meeting to try to tell us, and to level with us, what is the situation.

I want to maintain that plant as a place where people work in conditions that are acceptable and nonhazardous both within the plant and outside the plant. I believe that can be done with proper and adequate resources which I think have been denied to that ministry. The restraint program has inhibited the Ministry of the Environment

from maintaining the quality of air and soil around that plant and the quality of conditions within that plant which place in jeopardy jobs that we cannot afford to place in jeopardy at this time.

There is no movement in Riverdale to turn it into some kind of residential lakeshore appendage of the city of Toronto. We, in Riverdale, enjoy the mixture of industry, the stores, the retail merchants, the society, the residential communities and the other communities; it is a good mix. It's a very vital area.

I must pay tribute to the government, because in one way or another—through the Neighbourhood Improvements Program, through the clinic funding committee for legal services, through the Ministry of Health for the South Riverdale Community Health Centre—we at least have a network of inter-related organizations that are very self-supportive, and very few people in Riverdale now fall through the safety net and are not without access to services of one kind or another. In all fairness, I think I should make that point.

It's because of the vitality of the area, and because of funds in support that have been available, that we do have things such as the Riverdale Socio-Legal Services. We have a new centre called the South Riverdale Community Centre. We have a renovation going on at WoodGreen Community Centre. We have a ward eight newspaper and a ward seven newspaper. We do have an inter-cultural, interracial committee. We do have a South Riverdale Community Health Centre. We do have an Eastview Neighbourhood Community Centre. I have a constituency office. My colleague the federal member for Broadview, soon to be the member for Broadview-Greenwood, has a constituency office.

One way or another, with the various facilities of the government, we have a mutually supportive set of institutions in the riding which are a far cry from just a few years ago when there were few, if any, services available of a community nature.

Mr. Speaker, I had thought I would be finished by one o'clock, but I haven't got to some other remarks I want to make, so at the appropriate time I will move the adjournment of the debate and I am almost at the point where it would be convenient for me to do so, Mr. Speaker.

There is one other matter I don't know the answer to—I have been in communication with the Minister of Intergovernmental

Affairs (Mr. Wells) about it—and that is the whole question of the waterfront. The waterfront is a most important area of access and enjoyment for the people in my riding and in the ridings which abut the lake across the city, as well as for those who don't live right in those areas but who want to come to it. In a funny way we have created barriers to access so that, while there are more and more people who recognize that we have the facility of a lakeshore and the enjoyment which comes from that, there are many barriers to reaching that waterfront, particularly in the area of Riverdale.

We do have, of course, the spit which, by natural development, I believe, is going to become a most important beauty adjunct for the city and a recreational spot. But I am talking about the shoreline itself. There are five governmental authorities involved in that property and when one considers how difficult it is for two or three governmental authorities to find any resolution or understand what their respective jurisdictions are, let alone give the elected representatives a clearer view as to what they can do to be of assistance, one may comprehend the difficulties involved here.

That waterfront is not being planned in a way of which I have any comprehension, so that it can be an area which is available, with ready access, to people. I'm not speaking about barring other activity in that area; I am talking about the kind of imaginative planning of the waterfront from the islands through to the riding of my colleague, the member for Scarborough West (Mr. R. F. Johnston) and perhaps further on through the outskirts of Metropolitan Toronto, but principally in that area which abuts my riding, the riding of St. David, the riding of Beaches-Woodbine and the riding of Scarborough West.

I am hopeful that somehow or other that maze of overlapping jurisdictions will permit an intelligent appreciation by the elected members—municipally, provincially and federally—of what we can do to provide some kind of cohesion to the development of the waterfront for the use and enjoyment of our immediate constituents and naturally, of course, for those living elsewhere in the city of Toronto and in the metropolitan area.

On motion by Mr. Renwick, the debate was adjourned.

The House adjourned at 1 p.m.

APPENDIX

MEMBERS OF THE EXECUTIVE COUNCIL

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Hon. R. C. Baetz	Minister of Culture and Recreation
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No. 40

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, May 7, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

MONDAY, MAY 7, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

BELL CANADA RATES

Hon. Mr. Snow: Mr. Speaker, I would like to reply to a question posed in the House on Friday by the Leader of the Opposition (Mr. S. Smith) concerning the position of the government regarding Bell Canada's Saudi Arabian contract.

At the outset I would like to clear up some confusion in the question. We have not changed our mind about how the revenues from this contract should be treated by the regulator. At the original hearing in 1978, Ontario intervened on behalf of telecommunications users in this province, requesting that Bell show cause why rates in particular should be increased. During the hearing, a range of issues arising out of Bell's request for higher rates was dealt with. One of the issues was the Saudi contract.

On the general question of Bell's request for increased rates, Ontario took the position that what Bell was asking for was not justified and would be unfair to the subscribers. We told the commission that Bell's request should be reduced significantly.

On the specific issue of the treatment of the Saudi revenues for regulatory purposes, we found the confidential procedures used to review the contract during the Canadian Radio-Television and Telecommunications Commission hearings to be unacceptable. We could not, therefore, take any position on the matter during our final argument.

Following the hearings and CRTC's decision to include the Saudi revenues as normal Bell revenues, we reviewed the situation carefully. We concluded that a central issue was whether a regulatory principle was being established that could dissuade regulated telecommunications carriers from operating in foreign markets.

In view of the fact that the international market for telecommunications equipment and services is expanding rapidly, we did not want to see Canada cut out of potential business because of negative internal policies.

There are many great benefits to be gained in terms of jobs and revenues for Canada.

The government of Ontario strongly believes that domestic industry should be encouraged to compete in world markets and to export Canadian technology and expertise. We have a great deal of both in our telecommunications companies; in fact, we are world leaders in many areas. For this reason we asked the CRTC and the federal government to resolve Bell's appeal in a way that would encourage Bell and other high-technology companies to export.

The Leader of the Opposition has been talking a lot lately about the need for an industrial strategy, and on April 9 released a rather lengthy document entitled *An Industrial Strategy for Ontario*. I note on page 58 that he singles out telecommunications as one of the sectors that should be actively supported.

I agree with the Leader of the Opposition. In fact, for several years now I have maintained that the telecommunications sector is a key part of Ontario's industrial base and one in which we can be internationally competitive. We are making sure, through our actions in policies, regulatory hearings and wherever possible, that we keep it that way.

In acting on the question of Bell Canada's revenues, we believe we are away ahead of the opposition in attempting to get a policy and regulatory framework that provides incentives and the positive features required for a successful industrial strategy.

In conclusion, there are two issues here. We believe strongly that consumers should not be paying too much for the telecommunications services they receive. In our interventions on Bell and other rate hearings, we have addressed this issue in the consumers' interest.

On the other hand, we must also look at the potential benefits in terms of jobs and the balance of payments that can come from our telecommunications firms' securing contracts in foreign markets. We should not be putting unnecessary obstacles in the way of firms operating offshore. I think we have been dealing with both issues in a balanced and responsible manner.

INCO DISPUTE

Hon. Mr. Elgie: Mr. Speaker, as members know, a memorandum of settlement was signed yesterday by Inco Metals Limited and local 6500 of the United Steelworkers of America. The memorandum, of course, is subject to ratification, and I understand that membership ratification votes will be held in Sudbury later this week. Because ratification has not occurred, I do not wish to say anything that might at this time be construed as interfering with procedures yet to be concluded.

However, in rising today, I do wish to express my gratitude to and admiration for the bargaining committees on both sides who through difficult times have laboured long and earnestly in search of an acceptable basis for settlement.

If I may be permitted to do so, I think I should also give credit to two mediators from my ministry, Vic Pathe, executive director, industrial relations, and Ray Illing, a senior mediator with the ministry. Their patience and wisdom, already publicly acknowledged, contributed greatly to yesterday's achievement. From the earliest stages, and indeed throughout the long and arduous process, the Premier (Mr. Davis) and I maintained an active interest and, when appropriate, involvement in the discussions. In the final analysis, however, full credit must be given to the bargaining parties, who have been able to fashion their own voluntary solution.

I am sure that all members will share my hope and expectation that this long dispute is near an end. Judging from media reports, this sentiment is shared as well by all the citizens of the Sudbury basin who have as well been hoping and praying for an early resolution.

FOREST REGENERATION

Hon. Mr. Auld: Mr. Speaker, I want to advise the House today of some recent developments regarding my ministry's forest management program. While an article in the Toronto Star on Saturday was by and large accurate and fair, I feel it nevertheless may have left the impression with many readers that we have reached a crisis situation in our forest industry.

In offering my assessment of that story, I would hasten to add that I do not necessarily agree with the statements made in that story by two of the members opposite. I believe that for financial reasons we have not progressed as quickly as we would like. We do believe, however—

Mr. T. P. Reid: You have gone backwards.

Hon. Mr. Auld: —that we have dealt with the situation openly and constructively and that we are far from a crisis situation.

Mr. Wildman: Only 50 per cent regeneration.

Hon. Mr. Auld: As some honourable members of this House are aware, we are taking steps to overcome the separation of harvesting and silviculture, and to privatize much of the forest management work through forest management agreements with the forest industry.

Mr. S. Smith: It used to be private, and it didn't work either.

Hon. Mr. Auld: I want to advise the House today that the Treasurer has recently given his support to a \$4.3 million expenditure for the forest management agreement initiative. This will cover three agreements with private companies in 1979 at the same cost as my ministry would incur in carrying out the work itself. We believe, Mr. Speaker, that this is another example of the government's commitment to privatization and to our commitment to forest replacement and management. The proposed \$4.3 million expenditure this year is part of my ministry's proposal to spend \$50 million and close the current regeneration gap by 1985.

Mr. T. P. Reid: It will never happen.

Hon. Mr. Auld: This proposal is now before Management Board.

While, as I have stated, we have not been able to move as quickly as we would like, I want to emphasize that Ontario is the front-runner in Canada as far as overall forest management is concerned.

Mr. Bradley: You need a third hand to pat yourself on the back.

Hon. Mr. Auld: The regeneration gap and the continuity of funding are problems faced by every province in Canada. Ontario has led all of Canada in forest policy and programs since the end of the Second World War.

Mr. T. P. Reid: It must be pretty bad in other jurisdictions.

Hon. Mr. Auld: As members of this House will appreciate, I'm sure, it is difficult to make long-term funding commitments at this time. As a result, we are looking at several options in addition to outright government funding.

As members know, British Columbia and Alberta do not fund their forestry programs from general revenues. We are currently taking a look at stumpage offset and nominal stumpage methods our colleagues in those provinces now use. In addition, I will be seeking a meeting soon with my counterpart

in Ottawa to explore the possibility of tax options whereby moneys spent by a forest company for forest management work would be offset through tax credits.

While I have acknowledged some difficulties, I want to take this opportunity, Mr. Speaker, to remind the House that since the government took over forest management responsibilities in 1962, the regeneration has increased from a few thousand acres to 198,000 acres in 1978 alone.

Mr. T. P. Reid: And we cut 400,000.

Mr. Wildman: How many were cut?

Hon. Mr. Auld: I also want to emphasize today that this government remains committed to a forest management program that is now second to none in this country.

DECLINING ENROLMENT

Hon. Miss Stephenson: Mr. Speaker, on Friday morning, in response to a question I used the figure 15,000 as the figure of declining enrolment in the elementary school system in the city of Toronto. That figure is incorrect, because that is the figure for the North York school enrolment decline. The figure for Toronto between the year 1974 and September 1979 is 12,000.

ORAL QUESTIONS

BELL CANADA RATES

Mr. S. Smith: Mr. Speaker, I would like to question the Minister of Transportation and Communications to find out if he really believes what he has said in the statement he has made today. In the first place, can the minister tell us why he said his department did not change its mind during the course of the hearing, when the lawyer for the Ministry of Transportation and Communications, in front of the Canadian Radio-Television and Telecommunications Commission, has said, and I quote:

"A word with regard to the discussion that Mr. Saunders"—that is the Bell person—"had with the panel this morning with regard to the Saudi Arabian matter is simply this. Having heard Mr. Saunders, having heard his comments, we still don't understand how Bell Canada's subscribers in the long run can possibly be insulated from the outcome of the Saudi Arabian undertaking, whether it turns out to be good or whether it turns out to be bad. We do not believe that the subscribers can be insulated from the effects of this contract."

That's the lawyer for the ministry. Why does the minister say to this House that there

is no change in position when the change is perfectly obvious?

Hon. Mr. Snow: Mr. Speaker, I don't think there is anything in that statement that the honourable member has read that indicates there is any change whatsoever in the position of this government on this matter.

[2:15]

Mr. S. Smith: Did the minister not hear that I said the lawyer representing the case for the government said that one cannot insulate the subscribers, and that the government then went before the cabinet to say the subscribers should be insulated from the profits and the profits should go directly to the shareholders without having effect on the revenues? If, in fact, his case is that it will allow more telecommunications equipment to be sold from Canada, may I quote to the minister from Bell's annual report on this matter, in which it says that the major role of Bell Canada and its more than 600 employees in Saudi Arabia is to establish and manage the organization that will operate the system? Switching, outside plant and station equipment are being provided by Philips and L. M. Ericsson, two Scandinavian or Dutch companies.

Hon. Mr. Snow: Certainly I am well aware of that fact. There is still a considerable benefit to Canada from the tremendous payments that are being received by Bell for their expertise, for their technology and for a certain amount of infrastructure that is being supplied from Canada, although we realize that Saudi Arabia awarded the contracts for the major equipment to the companies the Leader of the Opposition mentioned.

Mr. S. Smith: By way of a supplementary, again since the minister seems so unaware of these matters, does the minister not recognize that what Saudi Arabia wanted from Bell Canada was access to the AT and T training manuals which they could get through the Canadian company and that Saudi Arabia was not willing to deal with a separate subsidiary of Bell but wanted Bell Canada to do the job because it is in a monopoly service situation in Canada?

Does the minister not recognize that if Bell is going to get those benefits then the subscribers ought to have some of the benefits as well and that they shouldn't simply go to the shareholders, leaving the rest of us with higher bills to pay? The government lawyer was right the first time.

Hon. Mr. Snow: I don't doubt very much that the lawyer was right. The lawyer made a statement that I have no trouble agreeing

with, that there cannot be a total separation or insulation of outside contracts from the subscriber. But at no time did he say that the total revenues from any outside contract should be used to offset local expenditures, which is actually what we're talking about. I don't think there's any conflict whatsoever. I think the Leader of the Opposition is talking out of both sides of his face at the same time.

Hon. Miss Stephenson: As usual.

Mr. Kerrio: We have to get some benefit or what good is it?

Hon. Mr. Snow: He says he wants to export technology and bring a great deal of money to the Canadian economy and employ a great number of Canadians.

Mr. S. Smith: We're not exporting anything, Sweden is.

Hon. Mr. Snow: But he doesn't want that, it seems. At one minute he is saying that is what he does want, and at the next minute he's opposing it.

Mr. S. Smith: There is not an ounce of Canadian technology going there and the minister knows it.

For the benefit of the Minister of Education, who isn't aware of the location of Philips and Ericsson, they're in Holland and Sweden.

Hon. Miss Stephenson: Of course I know. Don't be so silly and don't be so condescending.

Mr. McClellan: Arrogance meets condescension.

REED PAPER COMPANY: FOREST REGENERATION

Mr. S. Smith: I have a question of the Minister of Natural Resources with regard to his forest policy. First of all, can the minister tell me when we are going to get the figures and the agreement he promised me some three weeks ago regarding the allowable cut and the actual cut for various species on the various timber limits that Reed Limited has? I asked for that information on April 19 and the minister said he would be delighted to supply it.

Mrs. Campbell: When he can find them.

Hon. Mr. Auld: It has taken a little time to get them in the form that was requested. In fact, one of the breakdowns in part of the question is just unanswerable in a short length of time, but I would assume that the answers that we have been able to put together would be tabled this week.

Mr. S. Smith: When am I going to be able to get it?

Hon. Mr. Auld: I would expect that they would be tabled towards the end of this week.

Mr. S. Smith: Can the minister explain the priorities that have moved his government over the years to end up in a situation where, despite years of warning from every aspect of the forest industry, we find ourselves still allowing hundreds of square miles to go without being reforested, even though they have been cut? What are the priorities that allow the government to offer \$100 million to protect the companies when it can't find \$5.6 million extra to protect the resource that belongs to the people and to our children's future? What kind of priorities are those?

Mr. Kerrio: Let Mother Nature do it.

Hon. Mr. Auld: Mr. Speaker, first of all, it became apparent to the province in 1962, as I mentioned a few moments ago, that something much more had to be done about regeneration. However, a very intensive study was undertaken under the chairmanship of Professor Armson, who is now a special advisor, to determine which way this could best be done. Without making an estimates speech, I would say one thing that became quite apparent was that cutting and regeneration go hand in hand, forestry practices can't be separated.

Mr. T. P. Reid: It's called forest management.

Hon. Mr. Auld: That is the reason for the amendments to the Crown Timber Act which were given to the House for first reading last week. It is the reason for the program we have embarked on in having the companies do this work in their limits while the crown will continue to do it in crown management units. This is not a \$5 million program. We estimate when it is running full force it will be something in the order of between \$20 million and \$30 million.

Mr. Wildman: Mr. Speaker, would the minister not agree that the figure 198,000 acres regenerated doesn't mean anything by itself unless he also tells us the total cutover area since 1962? Is the minister, in his statement, committing the government to sustained-yield operations by 1985? If so, how is he going to fit into the position of the independent sawmill operators in their criticisms of the present system and their argument that they should have a greater role?

Hon. Mr. Auld: Mr. Speaker, I think those are questions which could well be addressed to the ministry when we're doing our estimates, which I understand we start in a very short time.

Mr. Warner: Go on, you just made a statement today.

Hon. Mr. Auld: They're really a matter of detail. However, as far as the independent sawmill operators are concerned, and I've met with them as recently as about two weeks ago—

Mr. Swart: How many acres were included in the cutover?

Hon. Mr. Auld: —we have indicated to them, as I said a moment ago, that we will be doing the regeneration in the crown units, which is where most of their wood comes from. Their other wood, the material they buy on third-party agreements from the pulp and paper companies, will come from the areas that are regenerated by those companies under whatever arrangement we come to.

Finally, I have a meeting this afternoon at four o'clock with the Ontario Forest Industries Association, and I believe we have finally ironed out pretty well all the points of disagreement in our proposed agreement. As I said a couple of weeks ago, I hope we will be signing our first agreement very shortly.

Mr. T. P. Reid: Is the minister aware that for the last 30 years we have been falling behind by 100,000 acres, taking into account either natural or man-made regeneration of the forest?

Does he realize that on the regeneration that is being done there is only about a 50 per cent success rate.

Mr. Wildman: That's right; 50 per cent a year.

Mr. T. P. Reid: So we're falling behind 150,000 to 200,000 acres a year in regeneration? The minister has yet to tell this House how his ministry is going to make up that gap and ensure that those mills in northern Ontario can continue to operate for the next 30 or 40 years.

Mr. Warner: Tell us about the Bramalea charter.

Hon. Mr. Auld: It was mentioned in the Saturday Star story, which I must admit I didn't see until I returned here this morning; we indicated some time ago that our basic approach was to plant two trees for every one cut.

Mr. S. Smith: We heard that.

Hon. Mr. Auld: We still have that target and we're going to meet it.

MINING COMMUNITIES

Mr. Martel: Mr. Speaker, I have a question of the Treasurer.

Mr. Havrot: New leader over there?

Mr. MacDonald: We have reserves over here, which is more than you can say for yours.

Mr. Martel: On November 3, 1977, the Premier made a statement. This is an excerpt from it:

"In recognition of the gravity and the complexity of the problems facing Sudbury and other mining communities, the government will establish a cabinet committee on the economic future of mining communities to consider those short-term and long-term measures which may be appropriate for our government and other measures which may be recommended to the government of Canada."

Could the Treasurer tell me, in view of the fact that he was chairman of that committee, how frequently it met, who has taken his place as chairman now that he has gone on to greater expectations, and when he will be in a position to table a report indicating what his short-term and long-term proposals are for those mining communities?

Hon. F. S. Miller: Mr. Speaker, the committee met reasonably regularly; I would have guessed about every two weeks at that point during the first two or three months, or perhaps even six months. It generally reported quite quickly to one of two points; since it was a committee of cabinet, it was reporting to the policy field as required and, at times, directly to cabinet.

It is my understanding, and it would need to be confirmed by the minister involved, that the Minister of Natural Resources assumed that role, since I was Minister of Natural Resources at the time; I know that I relinquished it when I was made Treasurer.

Mr. Martel: A supplementary: There was a commitment that the minister would develop short-term solutions and, it would be hoped, long-term solutions for mining communities faced with problems. He has not answered that part of the question as to what those are going to be.

In view of the fact that National Steel is closing its doors in the town of Capreol on May 15, can he tell me how the goals or programs that he has established will be implemented to assist (a) the workers in the municipality of Capreol and (b) the municipality of Capreol itself?

Hon. F. S. Miller: It might be wise if the part on Capreol were redirected. I think the Minister of Labour (Mr. Elgie) was involved in the mine up there.

An hon. member: What about the minister's recommendations?

Interjections.

Mr. Martel: I can redirect it, but I know the involvement of the Minister of Labour, which has been in an effort to try to keep the plant open. I want to know what the Treasurer is going to do (a) for the workers and (b) for the municipality of Capreol, which now is going to be confronted with about 140 vacant homes and a tax bill, because there is going to be a shortfall in the tax revenues which the municipality had not anticipated and because it built on to the schools and it built a new subdivision just two years ago.

Hon. F. S. Miller: The Capreol issue came up after the change in my position; that is why I was referring that part of the question. I could talk at length about Marmora. I could talk at length about the meetings we had at Atikokan. I visited Sudbury at least once, and possibly twice. We had meetings with the Sudbury group and a number of others in the course of the action. The members know, as well as I do, that solutions are not easily found in that business.

Mr. T. P. Reid: A supplementary, Mr. Speaker: The Treasurer might be aware that I had this question on the order paper about three months ago. Will he not admit that the whole policy of providing any kind of assistance to one-industry, northern communities was nothing but a sham to try to get the government off the hook, and it was such a sham that the Provincial Secretary for Resources Development (Mr. Brunelle) was not even appointed to that committee? In fact, will he not admit that nothing has been set down to provide any guidelines for communities that are facing unemployment problems because of mine or mill shutdowns?

Hon. F. S. Miller: No, Mr. Speaker, I disagree completely with that comment. For example, the day we visited the town of Atikokan, in the member's area, we arranged for a grant to be given for industrial relocation or studies through the Ministry of Northern Affairs.

The Provincial Secretary for Resources Development did sit on the committee, therefore, the member's allegation that he did not is not correct. I think the provincial secretary attended almost every meeting we ever had of that committee—in my presence anyway; so I would suggest to the member that he is not elucidating the facts as they occurred.

Mr. Speaker: A final supplementary.

Mr. Wildman: Mr. Speaker, are we to understand from the minister's replies that this committee, if and when it did meet, just talked about particular problems in par-

ticular communities and did not try to develop any general policy for one-industry towns in the north, which is what it was set up for?

[2:30]

Hon. F. S. Miller: No, Mr. Speaker. But when one has immediate, pressing problems, those, obviously are those one deals with in the immediate context.

Mr. Warner: You did nothing.

Mr. Laughren: You are washing your hands of it.

Hon. F. S. Miller: It's easy to sit there and complain, but I tell the honourable member there were some problems that were difficult to deal with.

Mr. Martel: It's easy to sit there and pronounce, too.

Mr. Laughren: You're squirming.

Mr. Warner: The worm wriggles on the hook.

Hon. F. S. Miller: When those mines were started in Atikokan 35 years ago it was predicted that they would be exhausted just about now. There are different problems in Capreol, totally different problems. I understand it was a very profitable mine at one point, and very well run.

Mr. Wildman: What are you doing for Elliot Lake?

Hon. F. S. Miller: Marmora fits the Atikokan category, and I think progress is being made at Marmora.

Mr. S. Smith: You've been the government for 36 years.

Hon. F. S. Miller: I understand studies are going on right now or a company is continuing to use the facilities.

Mr. Van Horne: A little less talk and a little more action over there.

Mr. Warner: A comparative failure.

Hon. F. S. Miller: We got agreement, for example, from the company that owned that mine, Bethlehem Steel, to work with the ministry in keeping the equipment on site in good shape and in carrying on research in eastern Ontario, through the Ministry of Natural Resources, into alternative ores that could be developed there.

I think the kinds of claims the members are making that nothing has happened are totally false.

Mr. Warner: Show us the report.

Mr. Laughren: The flimflam man from Muskoka.

Mr. Speaker: A new question, the member for Sudbury East.

Mr. Martel: The Treasurer said it was short-term—

Mr. Bolan: That's because he's a short-term Treasurer.

Mr. Martel: —but they have had 18 months since the committee was established.

Mr. Speaker: A new question.

HOCKEY VIOLENCE

Mr. Martel: To the Deputy Premier, in view of the fact that his colleague the Minister of Culture and Recreation (Mr. Baetz) is not here: Recently I received a letter from a Dr. John Elliott, assistant professor of sociology at Laurentian University, concerning the hockey violence questionnaire sent out by the Deputy Premier's colleague. In part, that letter makes the following comment:

"The number 100,000 may sound politically expedient, more than anything else. If this number is itself a sample, then it is a waste. Not that many are required. The rate of return for any mail questionnaire is usually 15 to 20 per cent."

In view of Dr. Elliott's comment, could the Deputy Premier find out for me how many answers we have received and what the reports indicate with respect to the attitude apparent towards serious hockey violence, particularly in view of all the hockey experts and players, such as Bobby Hull, George Armstrong and Bill White, who maintain it is rampant with viciousness?

Hon. Mr. Welch: Mr. Speaker, I know all members of the House appreciate the very keen and personal concern which has been expressed by the honourable member himself about this matter.

Mr. T. P. Reid: In other words, you don't know.

Hon. Mr. Welch: Indeed, the honourable member will recall that the Minister of Culture and Recreation made a fairly full statement not too many days after that particular expression of concern by the honourable member.

I think the ministry wanted to make sure there was a very wide circulation of the questionnaires in order to provide people with the opportunity to respond. No doubt the minister, consistent with his statement, will want to share the results of that with all members of the House once he feels he is in a position to correctly assess and evaluate what the results of that questionnaire have produced.

Mr. Warner: You speak as well as he does.

Mr. Martel: The statement made by the minister at the time was fraught with error,

and I point out another one today. In his statement he said there were 17 questions in the questionnaire; in fact there were 23. It gives me some concern, particularly when we're talking about hockey violence, that only three of the 23 questions dealt with hockey violence.

Could the Deputy Premier find out for me who prepared the statement; who prepared the questionnaire; and when we're going to get serious about resolving the problems of hockey violence as it affects youngsters?

Hon. Mr. Welch: Now that these questions are on the record I assure the honourable member that I will draw them to the attention of my colleague the minister.

Mr. M. Davidson: Supplementary: Would the minister not agree that a proper assessment of the questionnaire that was sent out is not possible, given that some homes have received as many as five or six copies of the questionnaire, my home being one of them?

Hon. Mr. Welch: I would assume that only one response would come from that particular household then.

Mr. Samis: They know who's important in Cambridge.

Mr. T. P. Reid: They gave him four to practice on.

Mr. Eakins: He must have used the Tory mailing list.

Hon. Mr. Welch: Obviously, I'm not in a position to comment on this, except to say that in taking part in a debate within the last week or so the honourable member made some reference to the number of sons he had; obviously they must all be involved in hockey in some respect, and hopefully they are not involved in any violence as a result of that particular exercise.

Mr. M. Davidson: They'd better not be.

DREDGING CASE

Mr. Cunningham: I have a question of the Attorney General. With the dredging trial now concluded, I wonder if the Attorney General would be in a position to inform the House with regard to certain references that were made during the course of the trial—references in Mr. McNamara's diary with regard to a William Davis and a William Kelly?

Hon. Mr. McMurtry: I am not sure that I understand the member's question. The dredging trial is not concluded. The accused who have been convicted, the companies, will be before the court for sentence on June

4. I have no further comment to make at this time.

Mr. Cunningham: I would like to ask the Attorney General when the House might be getting the results of the inquiry or the questioning by Mr. Justice Campbell Grant that is currently going on or has gone on?

Hon. Mr. McMurtry: I would be prepared to discuss this matter after the individuals before the courts have been sentenced.

Mr. Warner: Supplementary: Perhaps the Attorney General is aware that the Premier on July 8, 1977 made this statement: "I must say, Mr. Speaker, that I am looking forward to the opportunity of sharing the contents of Mr. Justice Campbell Grant's report with the members opposite. On the first occasion that is available to me as Premier of this province—because the trial is to commence this fall—I intend to share that information with all of those honourable members who are interested."

I happen to be interested. The trial has concluded.

Hon. Miss Stephenson: It hasn't.

Mr. Warner: Could the Attorney General prevail upon the Premier to make the statement which he promised to make back on July 8, 1977?

Hon. Mr. McMurtry: I just repeat that the trial has not concluded.

FOREIGN OWNERSHIP

Mr. Laughren: I have a question of the Treasurer, who is trying to salvage support among his backbenchers in view of the answer to my colleague's question.

Does the Treasurer agree with me—and he might want to refer to his colleague, the Minister of Industry and Tourism (Mr. Grossman) on this—that one of the major problems we face, not only in Ontario but elsewhere in this country, is the growing deficit on interest and dividend payments to non-residents, which reached a total of \$5.4 billion last year? If he appreciates that problem, could he tell us where he got his mandate to go to England with his colleague, the Minister of Industry and Tourism, in a blatant attempt to peddle even more of our potential to the British and increase further the foreign ownership of the Ontario economy?

Hon. F. S. Miller: I don't think that was entirely the reason for us going to Europe. We were there selling Ontario and the benefits of Ontario. That works two ways. We are trying to sell them on the advantage of doing business with us. I would have to say, as the Premier has said too, while we want to

encourage Canadian investment in Canada and Ontario as much as we can, that does not mean discouraging other investment in Ontario.

Mr. Riddell: Let's keep our land in Ontario.

Hon. Mr. Maack: It isn't going anywhere. It will always be here.

Mr. Riddell: You are going to be surprised when the report comes in.

Mr. Laughren: Supplementary: Is the Treasurer not aware that any of the benefits that might accrue to us by the increased foreign ownership of the Ontario economy would be more than offset by the level of business service payments, including research and development and fees and royalty payments to non-residents, which are in the neighbourhood of \$2 billion a year now?

Did the minister make it clear to the potential British investors in Ontario that we were no longer prepared to accept the kind of carte blanche sell-out that has been so much of the history of this country?

Hon. F. S. Miller: If a company came to Ontario and simply produced products for internal consumption, part of the member's argument would be correct, because then profits made on it would be sent to another country, but he tends to forget that many of the corporations in this export-oriented province end up creating employment here, adding value here, selling the product elsewhere, and while certainly there is a chance that profits will flow a great deal more stays here than would have stayed here had they not been in our province.

Mr. di Santo: Supplementary: Doesn't the minister realize that if he accepts that point of view it's pretty useless to set apart \$200 million to encourage Ontario industry? Doesn't he realize that a branch plant economy doesn't produce any benefits other than temporary jobs for our province? And how can he reconcile his position with the intent to strengthen our manufacturing industry since Ontario has fared very badly in the 1970s and, despite last year, is the slowest growing province in Canada in the manufacturing sector?

Hon. F. S. Miller: It's probably the only manufacturing sector province in Canada. That's one of the big reasons. We have always been at the top of the heap, and when we talk of resource growth, obviously that's one sector that is growing very fast.

Having just come back from Europe, there are a lot of people over there who would gladly change their standard of living for ours. Costs for food alone in that country—Britain—are two to two and a half times the

Canadian cost. The costs for housing are two to two and a half times. We have a heck of a good life here and a good sound economy.

ELECTION CAMPAIGNS

Mr. Kennedy: A question for the House leader: Last week he indicated to the member for Oriole that he would look into the possibility of abolishing public opinion polls during elections. I am wondering if at the same time he would look into the matter of the length of time of elections and see if they could be reduced from the current 37 days—I think it's 45 in winter—to 30 days from here on in?

Hon. Mr. Welch: Mr. Speaker, I am sure that the member is echoing some of the concerns that many people are expressing with respect to the length of time between the writ and election day in the federal field. Ours is much shorter of course; 37 or 44 days, depending on the time of the year. This matter isn't presently before us, but it is my understanding that the chief election officer is giving some thought to whether or not the minimum number of days can in fact be reduced. I imagine that once he's had the opportunity to review that with his advisers no doubt we will be getting some type of an interim report and we can give some consideration to it at that time.

HOSPITAL BED ALLOCATIONS

Hon. Mr. Timbrell: Mr. Speaker, on Friday last, the member for Wentworth (Mr. Isaacs) asked me a question and made certain allegations about the death of a lady in Stoney Creek. The ministry staff have checked with Hamilton hospitals regarding the availability of emergency beds on the night of April 26. Information supplied to the ministry indicates that emergency beds were available in all of the Hamilton hospitals that day, including Hamilton General, Henderson, Chedoke, McMaster and St. Joseph's. There were a total of 46 emergency beds available.

I would like to inform the members that I have conveyed to the chief coroner my request that an inquest be held into the facts surrounding this death. Dr. Cotnam has advised my office that he is not yet in possession of all of the relevant reports, but that a decision on an inquest will be made by him this week.

AIR POLLUTION

Mr. Gaunt: Mr. Speaker, I have a question for the Minister of the Environment. Is the

minister going to require that Anchor Cap and Closure Corporation of Canada Limited install an incinerator in order to comply with the minister's 1978 amended control order?

Hon. Mr. Parrott: Yes, we are.

[2:45]

Mr. Gaunt: I am grateful for the response in the form it has taken. I want to know from the minister why the ministry hasn't sampled the air around the plant since 1977; also, how one can expect to enforce a control order if one is relying entirely on the company's information?

Hon. Mr. Parrott: As the member probably knows, we had an order on that particular plant and the original proposal was one that would require a great deal of energy to run. As the company thought that there was a better way of doing it, we believed we should give them that opportunity to explore it. We only did so on the clear understanding that if it didn't work out there would be no hesitancy on our part in insisting they carry out the original proposal. Since that time we have found out that, indeed, their proposal is not acceptable—I guess to themselves as well as ourselves—and they are prepared to live with the original agreement; somewhat delayed, I agree, but they are now prepared, and I believe we have it in writing. By the end of this year the incinerator will be in place.

When we delayed it in the first place it was on the clear understanding that we would insist they go with the original concept if they couldn't prove a better case for us. Their method has now been explored and they are going with the original concept.

[Later (3:04):]

Hon. Mr. Parrott: Mr. Speaker, in response to a question from the member for Huron-Bruce I left out a part of the answer I should have given and that I would like to add. The question was on whether we were testing; I was concentrating on the incineration of it. I did have this information available here.

The emissions are solvent emissions and they were only calculated in 1977. However, conventional air sampling is of no use in determining emissions from lithographic and lacquer ovens as they are non-particulate. Therefore we think the only way we will be able to get any reading on it is to use that extremely sensitive machine, the TAGA 3000. That we are contemplating doing.

I hope that clears up the matter of testing better than did my previous answer.

[Reverting (2:47):]

MILK PRICES

Mr. MacDonald: A question of the Minister of Agriculture and Food with reference to the comments last week of his colleague, the Minister of Consumer and Commercial Relations (Mr. Drea) on the increase in milk prices by processors.

Since the comment of the minister's colleague was that the price increase by processors was traditionally the same as that by producers—a statement which is totally inaccurate, as they have sometimes been taken unilaterally and sometimes, when coincident with a producer's increase, have been higher or have been lower—and, secondly, since the minister's colleague indicated that the price increase was the same as that given to the producers because their costs were the same—a point which a leading official of the Ontario Milk Marketing Board says is bunkum—would the minister inform us as to whether or not he shared in that assessment of the situation by his colleague?

Also, what is he going to do about protecting food pricing, say, out in the market now, when this investigative reporter cum politician is barnstorming into the picture with obviously no real information as to what the facts are?

Hon. W. Newman: Mr. Speaker, I recall the question in the House the other day, or I think it was in answer to a question when the Minister of Consumer and Commercial Relations commented on the increase in the price of milk. I think the member is very familiar with the subject, but to refresh the minds of some of his colleagues who aren't so familiar with agriculture, the fluid milk that is bought in the store is formula priced and it takes in all cost factors. I believe the increase this time, to be really technical, could have gone for three cents.

Mr. MacDonald: That isn't my question.

Hon. W. Newman: I just want to make sure the member understands the background, so that he will fully understand the answer I am going to give. Okay? Fine. The formula called for and they accepted a two cent per quart increase.

In a free marketplace the processors themselves have a right to choose their markup, but because there is a possibility, with, in most cases, good reason—and we will be able to give the member examples when we get into the estimates, probably by tomorrow night—where the processing industry costs have gone up proportionately, as have the producer's costs and they, of course, pass along whatever it may be, one, two or three cents, as far as their prices are concerned.

It doesn't necessarily follow that the increase is always the same as that of the producer. I said it doesn't necessarily follow, but I think the processors can justify an increase if asked to. If not, there is an appeal process, as the member well knows, to the appeal tribunal. The setting of milk prices by the processors is appealable.

Mr. MacDonald: Where?

Hon. W. Newman: To the appeal tribunal. We passed legislation in this House so that could be appealed.

Mr. Turner: The member said he knew the background.

Hon. W. Newman: If he knows all the background, fine. Now he does, and I hope he understands.

Mr. MacDonald: Since the minister's colleague stated it was traditional that the processors take an increase at the same time—which is totally inaccurate—and since his colleague stated that the costs of the processors are the same as the costs of the producers—which nobody has been able to justify because there is no investigation of any kind and no mechanism for that investigation of the processors' increases—how can the minister get up and give this kind of rationalization; and what is he going to do about it, other than sit there in his seat?

Hon. W. Newman: In all fairness to the member opposite, I explained the process to him; if he does not understand it, I am sorry.

Mr. MacDonald: I do understand it.

Hon. W. Newman: He does not understand it, because he asked about the appeal; he does not even know there was an appeal tribunal set up. We passed that legislation in the House less than six months ago, and he does not even know we did it. Where has he been?

Mr. Riddell: A supplementary, Mr. Speaker: Apart from its investigation of discounting practices, will the food inquiry commission not also be looking into the pricing practices of processors such as milk processors? Will the commission not be shedding some light on this whole matter of pricing practices, and not just the discounting practices of some of the processors and chain stores?

Hon. W. Newman: Yes, Mr. Speaker, there is a royal commission going on now, under Judge Leitch—a royal commission that was asked for and approved by this Legislature.

Mr. Swart: And the minister fought against it.

Hon. W. Newman: I suggested another route which would have been just as effective, but that is all right. This Legislature approved a royal commission to look into discounting practices; the terms of reference are well set out for the members opposite to look at.

Mr. MacDonald: To look into them and make recommendations for stopping them.

Hon. W. Newman: The honourable member has been making a lot of noise about it. I have said nothing about it except this: If anything comes before the royal commission that is breaking any legislation under my ministry, then we will investigate it and report back. But, as far as I am concerned, the judge and the royal commission are there to look into all these discounting practices or anything else he decides to look at. He has a very broad scope to look at.

Mr. Speaker: The Minister of Natural Resources has the answers to two questions previously asked.

FLOOD DAMAGE

Hon. Mr. Auld: Mr. Speaker, last Tuesday the member for Algoma asked me a question and a supplementary about the dams at the outlets of Endikai Lake and Mount Lake, leading down to Iron Bridge. He asked whether the ministry crews were monitoring these dams and the water levels in those lakes and whether the operation was different this year from what it had been previously.

The Endikai Lake dam is not operated. The gates of the dam are left open and water is free-flowing through the dam year-round, and this has been the case for a number of years.

As far as the Mount Lake dam is concerned, the operation of that dam was the normal operation; that is, in the fall the lake was lowered about two feet, which is our regular practice, and that practice has not produced any problems in the past.

The size of the peak flow, and particularly the speed with which it arose, was not foreseen, that was the problem this year. I am informed that in the two days preceding the breaching of the dams—what happened is that in both cases water flowed around one end; I guess there was erosion, and water flowed around one end as well as going over. In the two days preceding the breaching of the dams there were 2.63 inches of rainfall recorded in Sudbury and 0.61 inches in Sault Ste. Marie. Those are the two nearest rainfall gauges. In fact, we had abnormal runoff conditions all the way from Lake Superior to the Ottawa Valley in that same belt. More

rain fell in the Sudbury gauge area in that two-day period than normally occurs in the whole month of April. Normal precipitation in the month of April is about 2.19 inches.

I am informed it is not possible at this time to determine what effect the breaching of the dams had on the downstream flows and levels, but we don't expect that it contributed greatly to flooding downstream.

Mr. Wildman: Supplementary: I wonder if the minister in his capacity as Minister of Energy would agree with that, since Hydro seems to have indicated to the local community and to the Ministry of Natural Resources that it was the sudden onrush of flow from those dams that forced them to spill water over its dam?

Also, can the minister assure us that Kindiogami Lake dam is safe; and when can we expect a response from cabinet for the appeals for emergency assistance to the flood victims in Iron Bridge?

Hon. Mr. Auld: On the first part of that question, it is my understanding that Hydro said more water came down than it could handle, not necessarily that there was anything wrong with the operation of those dams. I wasn't there, and I am not an expert in dam operation—that's d-a-m—but more water came by than could be controlled by those dams. Consequently, I assume that for the long-term safety of the Hydro dam, the people above it and the people below it, Hydro passed more water than it would have preferred to have done.

Mr. Speaker, I have been diverted from the rest of my answer. As far as the safety of the dam is concerned, I am told that the original one, the first one I mentioned, Endikai, is an old wooden dam which the ministry fell heir to. It was built and operated by a lumber company some years ago, and I believe the ministry took it over for lack of anyone else to run it in 1964. I am told it is not in ideal condition, and that is one of the reasons it is left open and acts more or less as a weir. We are looking at what sort of structure should be there for the future. It may well be simply a weir, but funds, of course, will also have to do with how soon we get something done there.

I have now forgotten the third part of the question. In the matter of assistance, the question should be asked of the Minister of Intergovernmental Affairs (Mr. Wells), who deals with the disaster relief fund.

FLOOD REPORT

Mr. McGuigan: Mr. Speaker, my question is to the Minister of Natural Resources. Can

the minister tell us when the government-appointed body that was to look into the Dover flood and the Lower Thames Valley Conservation Authority will be reporting? Can it be that this report will be delayed until after May 22, since we have already passed the target date of May 1?

Hon. Mr. Auld: Mr. Speaker, I think I indicated last week that I expected to have the report by the end of the week. I am now told that I will have it by May 10.

NUCLEAR PLANT SAFETY

Hon. Mr. Auld: Mr. Speaker, I have the answer to another question addressed to the Minister of Energy last week by the Leader of the Opposition, who was asking whether the bid for the boilers that Atomic Energy of Canada Limited purchased for export was the lowest bid. I am afraid I am unable to give that information because it would have to be asked of AECL. It was their contract, as I understand it, and not Ontario Hydro's.

Mr. S. Smith: By way of brief supplementary, if the minister felt able to come in here and say that Hydro told him the bid was accepted from Foster Wheeler Company by a process of competitive bidding, was he merely using words for the sake of hearing them to indicate to us that more than one person bid? We already knew that more than one person bid, because Babcock and Wilcox was turned down. Or did he mean to imply that the lower bid of the two was accepted—and there may have been more than two—and if he didn't know, why did he come in and say it was done by a process of competitive bidding?

Hon. Mr. Auld: Mr. Speaker, that is what I am informed the process was. What factors make up that process, I'm afraid I'm not aware. The question should be addressed to AECL, or to the federal Minister of Energy, Mines and Resources.

Mr. S. Smith: Don't you want to know why they don't use Babcock and Wilcox?

[3:00]

SPECIAL EDUCATION

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Education. Given the fact that Metro school boards, both separate and public, are unable to respond to the school needs of their inner-city population because of her ministry's cutbacks in funding, and given the fact that reports by the social planning council, the North York principals and 53 Toronto parents' groups point

out that those needs are real, I would ask the minister now, as I did on Friday, whether or not she will reconsider extra funding for those boards?

Hon. Miss Stephenson: Mr. Speaker, under the general legislative grants, the Metropolitan Toronto area has been assured of a floor for funding. They have received an increase in the per-pupil grant, and the allotment which is available for Metropolitan Toronto has been granted to Metropolitan Toronto.

Mr. R. F. Johnston: I gather that means no. Implicit in that reply, and especially the minister's reply on Friday, was that the Toronto board could find the money for their own programs if they showed restraint, and she listed a school that was closed.

Hon. Miss Stephenson: What I said on Friday was that I had asked the Toronto school board to examine their priorities to see whether there were some reallocations of their priorities which might be made in the light of the problems they had defined.

Mr. R. F. Johnston: If I might continue, that still seems to me to imply the same thing. That board has laid off staff over the last three years; it has been able to find no home for the Gabrielle Roy school—

Mr. Speaker: Is there a question there?

Mr. R. F. Johnston: —there are few vacant rooms, and I just want to know whether the minister can point out some of those areas where they can find other allocations—where they can change.

Hon. Miss Stephenson: I had suggested two potential areas on Friday in response to the honourable member's question and they are in Hansard.

Mr. Sweeney: A supplementary: Given that the minister suggested that delaying the rebuilding or the renovation—I have forgotten what it was—to Frankland School might be one way that board would get money, does she not realize that capital funding and operating funding are totally separate and cannot be transferred, so that is not a legitimate way?

Hon. Miss Stephenson: I realize that within the Ministry of Education allocations that is exactly so; but I also realize that it was the intention of the Toronto school board to rebuild Frankland School and build a new school, from reserves. I was not clear about the definition of those reserves and that is why I asked the question. I have not received a response from them as yet.

ALASKA PIPELINE

Hon. Mr. Grossman: Mr. Speaker, last Monday the member for Hamilton East (Mr. Mackenzie) asked certain questions relating to the Alaska pipeline. There appear to be five simple issues involved in his question. The first was whether there are to be any changes in procurement policy for the Canadian sections of the pipeline.

In short, on the procurement policy or program of Foothills, while it is still in the process of finalization and discussions with the US government by Industry, Trade and Commerce, recent meetings have indicated no reason to anticipate there will be any changes in procurement policies.

As to the second part of his question, whether or not the contract is to be reopened, I would point out there is no formalized contract at this stage. In simple terms, Industry, Trade and Commerce reports to us that there is no pressure being applied by the United States government for a reopening of the award, being convinced of the non-competitive status of the US supplied bids. Some US suppliers indeed are complaining and are unhappy about the situation, but others in the US have indicated their acceptance of the situation. Current information indicates no intent to alter the negotiations between Foothills and Stelco towards an eventual contract with them.

Third, assurance was sought of retention of the jobs at Stelco, Ipsco, et cetera. Again, the indicated job and contract potential does not appear threatened at this time by any US action whatsoever.

On the fourth part of the question, whether or not contracts would come to Canada for the pipeline, I can only refer the members to the earlier answers I have given and point out that the award at this stage indicates that supply of services will be on generally competitive terms. That would indicate that the contracts spoken of earlier should be consummated.

Fifth, on the question directly asked, whether or not the bids were rigged, the answer is there has been absolutely no senior level suggestion that the bidding procedure was improperly influenced or carried out. Some individual US suppliers have suggested publicly that the bidding was rigged to favour Canadian suppliers, but absolutely no supporting evidence has been provided to the US administration as a basis for any complaint of which the agency is aware.

Mr. Swart: Supplementary, Mr. Speaker: Could the minister tell us if there is anything in writing or any letter of intent between the Foothills company and Stelco and

Ipsco relative to the awarding of these contracts? If not, would he bring pressure to bear to get something in writing so that counter-pressure from the United States won't thwart the awarding of these contracts to Canadian companies?

Mr. Kerrio: Nationalize it.

Hon. Mr. Grossman: Mr. Speaker, I believe my predecessors have indicated we were most anxious to see those negotiations completed. Those negotiations, as I have indicated, are moving along as they should at this stage.

Mr. Swart: But there isn't even a letter of intent.

Hon. Mr. Grossman: Finalization of those negotiations at this stage must apparently await the finalization of the documents, which are now in draft form, with regard to the agreement between Canada and the United States on the entire project.

DISPOSAL OF HAZARDOUS WASTES

Mr. Bradley: I have a question of the Deputy Premier in the absence of the Minister of the Environment. I would like to ask him if it is true there were no representatives from the Ontario Ministry of the Environment in attendance at the beginning of the public hearings of the Inter-Agency Task Force on Hazardous Wastes, held at the convention centre in Niagara Falls, New York last week. If the ministry was not represented, would the Deputy Premier not agree that the entire question of hazardous wastes in the area of the Niagara River is of such importance that ministry officials should attend all hearings of this nature to be in a better position to protect the environmental interests of the people of Ontario?

Hon. Mr. Welch: Mr. Speaker, I would be very glad to draw the question to the attention of the Minister of the Environment. The latter part of the question is one which does invite some comment.

As the member for that area, sharing that particular part with the member for St. Catharines and the member for Niagara Falls, the member for St. Catharines will know that both the member for Niagara Falls and I have been fairly vocal in that whole issue along there with respect to representations to the appropriate government agency in Albany, hoping that they will have a public hearing on the immediate request by a particular company to increase the gallage of its flow into the Niagara River.

The honourable member will know, from reading local media there, that there is a tremendous amount of interest in that par-

ticular issue. This coming Thursday night a public meeting is being held in the town of Niagara-on-the-Lake, with representatives from the other side of the river present. It's my understanding that the Ministry of the Environment officials have been invited to attend that meeting as well. I'm not sure, at this moment, what the status of any response from the ministry is. I can assure the member that, along with others in that particular area, we do view, with some seriousness, this whole issue of chemical waste disposition in the Niagara River.

Mr. Bradley: A supplementary: Knowing the concern of the members who were mentioned, including the Deputy Premier, over this matter, if it were the case that the officials of the ministry were not in attendance and had to be prompted to be there by outside reports, would the Deputy Premier not agree that a better liaison between officials of New York state and the Ontario Ministry of the Environment is essential in order that we might have representation there to look after the interests of, not only the people in the Niagara Peninsula, but the people of Ontario?

Hon. Mr. Welch: I would be very surprised if there wasn't liaison between the two authorities. I obviously can't speak from the factual point of view with respect to the extent of that liaison but, certainly, now that the member has raised that question we'll get a more definite reply for him from the minister.

Ms. Bryden: A supplementary: Since the Deputy Premier says he is so interested in this question of hazardous wastes, has he yet obtained a copy of the report of the New York Inter-Agency Task Force on Hazardous Wastes published in March 1979? Is he aware that it not only tries to identify what wastes are and where they are but tried to find out how they were generated and attempts to trace them to specific sites from the generator? Is he prepared to discuss with the Minister of the Environment the necessity of us following that procedure with the unknown wastes in our dumps to find out where they were generated and then trace them to specific sites?

Hon. Mr. Welch: I would be very glad to raise that matter with the minister again.

Mr. B. Newman: A supplementary: May I suggest to the minister that he consider setting up a body composed of members of the Legislature whose ridings border on the various states in the union so they could represent the government in hearings held

in the various US jurisdictions so that we would always know what is going on there and could relay our concerns to them and they, likewise, could do the same to us?

Hon. Mr. Welch: I would have to get some advice on the protocol of all this. I know, through my personal attempts to persuade the American authorities in Albany with respect to the specific application of SCA Chemicals Waste Services Incorporated in Lewiston, there were all kinds of hangups as to who could be a party of interest and what the status of people would be before hearings. I didn't want to postpone indicating my interest in that situation until all that was solved. I simply sent a Telex along saying that I understood there was a deadline by which those of us who were interested had to make some representations and, I think, before any decision was made in this matter they should allow the public to be heard on this issue and leave the protocol to a little later on. I must say, at this moment, I have not yet even had a reply—I don't know whether the member for Niagara Falls has had a reply yet—that is, in my correspondence with my contact with the officials in Albany.

In all fairness, I can't respond too definitively to the member, but would raise his concerns, along with others expressed during the course of question and answer exchange, with the Minister of the Environment in the hopes that perhaps there can be some resolution.

I think it should indicate on the record that there is a tremendous amount of interest in this issue with respect to what is going on on both sides of the waterways. It's one thing for Ontario to be maintaining its very high standards; we hope it's being complemented and followed up on the other side as well. This is where we have to be fairly forceful in making known our representations and our points of view.

Mr. Speaker: The time for oral question period has expired.

MILK PRICES

Mr. MacDonald: On a point of order, Mr. Speaker: In the course of his scatter-gun reply to my question on milk prices earlier this afternoon the Minister of Agriculture and Food stated that there was an appeals tribunal established in legislation some six months ago to which people could go with regard to price increases. Price increases by the Ontario Milk Marketing Board may be appealed to the appeals tribunal.

My question was with regard to price increases by processors and by retailers and nobody can appeal that. The minister is in error. I hope he will get his background filled in before we have the estimates tomorrow night.

Mr. S. Smith: As usual.

Mr. McClellan: Apologize.

Hon. W. Newman: If I am wrong I will apologize, but I don't think I am.

[3:15]

Mr. MacDonald: The minister is wrong.

Hon. W. Newman: The member is always right, isn't he? All I would like to say is that at least I'm prepared to look at things; the member is prepared to make all kinds of statements. I believe there is an appeal process, but we'll deal with that tomorrow night.

Mr. Warner: Correct the record and then resign.

Mr. Swart: One question in a month, and you blew it.

Mr. Martel: You will apologize tomorrow.

Mr. Warner: And then resign.

INTRODUCTION OF BILLS

STATUTE LABOUR AMENDMENT ACT

Mr. Wildman moved first reading of Bill 78, An Act to amend the Statute Labour Act.

Motion agreed to.

Mr. Wildman: Mr. Speaker, the purpose of the bill is to provide additional authority to road commissioners under the act in order to better enable them to carry out their duties. The principal changes are the following:

1. The limitation on the amount which commissioners may fix for commutation of statute labour is removed;

2. The authority to conduct a sale of land to recover arrears payable under the Statute Labour Act is transferred from the sheriff of the district in which the road commissioners have jurisdiction to the secretary-treasurer of the road commission;

3. The road commissioners are authorized to erect and maintain enforceable traffic signs in the area under their jurisdiction.

ELECTION PUBLIC OPINION POLLS ACT

Mr. Samis moved first reading of Bill 79, An Act respecting Election Public Opinion Polls.

Motion agreed to.

Mr. Samis: Mr. Speaker, this is the same bill I introduced last year. Its purpose is to

prohibit the publishing and broadcasting of political polls during an election, where the polls relate to the outcome of the election or the standing of any leader, candidate or party in that election.

[Later (4:25):]

ANSWERS TO QUESTIONS ON NOTICE PAPER

(See appendix, page 1701)

Mr. Acting Speaker: Prior to calling upon the honourable member for Armourdale, the Provincial Secretary for Resources Development (Mr. Brunelle) has asked leave of the House to file answers to certain questions. Does he have unanimous consent?

Agreed.

Hon. Mr. Brunelle: Mr. Speaker, on behalf of the government House leader I wish to table the answer to question 30 and the interim answer to question 166 standing on the Notice Paper.

[Reverting (3:18):]

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Mr. Renwick: Mr. Speaker, I have just come back from canvassing in the great New Democratic Party federal ridings of Broadview-Greenwood and Beaches.

Mr. Speaker: I'm sure the honourable member will be judged by the bill that was just introduced by his colleague from Cornwall.

Mr. Renwick: I can assure you that whatever else may happen on May 22, those two ridings will remain represented by the New Democratic Party and will, therefore, provide or continue to provide a much-needed balance in the representation from Metropolitan Toronto and from Ontario and, indeed, from all of Canada because of the calibre of the candidates who are standing in those ridings.

I don't know very much else about the federal election, and I assume we can all await the result on May 22 but, as for that portion of the great riding of Riverdale which lies within Beaches riding and Broadview-Greenwood, we can be sure that the adhesion of the electorate to the New Democratic Party is very significant, very substantial and very important in the life of this city and of the province.

I want to talk about two matters in continuing some reflections I must make about matters of concern to me; they are two matters in which I have a direct interest

but no particular specific responsibilities in the caucus of the New Democratic Party.

The first one is an endeavour to draw to the attention of the Treasurer (Mr. F. S. Miller) and of the government the importance of the loss to Canada of business service payments—many of which are paid from Ontario—to foreign corporations which control such a significant part of our economy.

The structure and priorities of the multinational corporation often result in much research, engineering, accounting, computing and other services being done outside of Canada. This not only costs Canada the cash value of these payments, but also retards indigenous development of those skills. This problem is well known, but little has been done about it. It has been recognized by economists and others who are skilled in these areas, but no full-scale studies of the outflow of dollars for business service payments have as yet been made.

I draw the attention of the assembly to the interim report of the Ontario Legislature select committee on economic and cultural nationalism, and to the heading "Capital Markets, Foreign Ownership and Economic Development," which pointed out that no one really knows how much is coming into the country and how much is going out by way of business service payments and called for "a systematic and continuing study [to] be undertaken to examine the levels of outpayments associated with foreign direct investment in relation to the benefits received from that investment. It is clear that service payments would form a key element in such a study."

That study has not been done; there has been no indication of interest on the part of the Treasurer of Ontario or of the government of Ontario in the significance to the Ontario and Canadian economies of those payments which are made by way of business service arrangements.

It is crystal clear that we are talking about enormous sums of money leaving the country—almost \$1 billion yearly. It is scarcely surprising that payments to non-residents are very much higher for foreign-controlled corporations than for their Canadian-owned brethren.

The data are very old. The latest data, which I have not as yet been able to obtain for 1975 and 1976, I will have at some later time; but I do not have them today. In 1974, although the assets of Canadian-owned firms were nearly twice the size of those of foreign-owned corporations, some

77 per cent of business service payments to nonresidents came from foreign-owned firms, as did 85 per cent of dividends to non-residents and 64 per cent of interest payments to non-residents.

The great bulk of the money we are talking about went in the form of royalties, management fees and professional fees. Looking at the composition of these payments, professional fees have generally accounted for 28 to 30 per cent of the total, management fees have risen from 16 per cent in 1968 to something more than 20 per cent at the present time, and royalties have risen steadily from 18 per cent in 1968 to more than 30 per cent at the present time.

In the early 1960s, business service payments were well below dividend payments and about twice the size of interest payments. By the 1970s, business service payments were approximately the same magnitude as dividends and were still about twice as large as interest payments. Since 1968, whereas assets of firms controlled outside the country increased 81 per cent, business service payments to non-residents increased 72 per cent, and dividend and interest payments rose by 99 per cent and 68 per cent respectively.

Since 1968 business service payments have accounted for about 40 per cent of the payments to non-residents by foreign-owned corporations. Any evaluation of the economic pros and cons of foreign investment must take royalties and management and professional fees as a central focus of consideration. Together they make a far larger economic impact than interest payments and are not much less important than dividends.

I am going to leave that where it lies. I haven't got the skills and the capacity to do the kind of study required to analyse the nature and extent of the foreign business payments going from Ontario abroad or the impact upon that outflow of dollars in a cash sense, let alone the impact in the sense of the subservience of the economy of Ontario, mainly to the economy of the United States. Until we have some clear understanding of that, we cannot in Ontario, let alone in Canada, continue to allow the kind of outflow for so-called know-how to impinge so greatly upon our balance of payments picture and we cannot allow that outflow to impinge so greatly upon our capacity to develop within Ontario the kinds of skills and the kinds of capacity which are necessary for the kind of society which we all believe is necessary here in a very highly

technical and competitive international market at the present time, if one accepts that particular thesis of Canadian need.

I want to turn to the question of the nuclear option and the role of the select committee. I have had the opportunity to talk with my colleague, the distinguished member for York South (Mr. MacDonald), who is the chairman of the select committee of this assembly, and with my colleagues on that committee and other interested persons in our caucus. The work which they are doing is immensely important. I am concerned, however, that this assembly has not reinforced for that committee the importance of this mandate to look at the nuclear option. One of the recommendations of the original committee, on which I served during the first minority government, recommended as part of the ongoing work that was required from this assembly a careful consideration of the nuclear option.

The nuclear option as such has become so embedded in the life of the province that it is very difficult, if not impossible, to get a handle on it at the present time. We had hoped back in 1976, when that report was first made, that somehow or other the assembly through one of its committees would be able to take a very cold look at whether or not the nuclear option was the only option that was available to Ontario for the purposes of security of its energy supplies and for the growing development of the Canadian economy within the Ontario society.

Unfortunately, events did not permit that committee to take on that particular role until the impetus that has been created by the disaster at Three Mile Island in the United States.

[3:30]

I want to speak a little bit about what our assembly here should do for the select committee. I think the assembly must reaffirm the immediate importance of the ongoing assessment of the nuclear plants in Ontario. The only benefit to us from the Three Mile Island consequences is if they will reinforce for us our urgent sense of the importance of developing, studying and analysing the nuclear installations in this province.

In any event, I want to dissociate myself from any version that what we must engage in is to await the report about Three Mile Island, where there is a different kind of nuclear fission operation from that which takes place in Ontario, so we can then have that logical panacea which we are given almost every day that the nuclear system in

Ontario, of course, is different, with the uninformed conclusion that, therefore, it is safer.

I think it is absolutely essential that this assembly let it be known to the select committee that the priority of that committee must have an overriding place in the work of the assembly. I say this for two or three reasons. I am very grateful to the unnamed or unknown person in the Ontario Hydro establishment who provided the information to our colleague in the Liberal Party, the member for Grey-Bruce (Mr. Sargent). I am grateful for this reason: As a lawyer—and I see my friend, the Attorney General (Mr. McMurtry), is here—as any lawyer would know and understand, when one's launching on an investigation of such magnitude, the very first thing one looks at are the original notes of problems within the installation; not the quarterly reports, not some interpretative analysis of the events as they are assessed and re-evaluated later on down the line, but the very raw material of the evidence on which one can make a thorough and objective investigation of the extent and degree of the problems—in this case, within our nuclear establishment in Ontario.

I want to say that it may well be that over time Hydro would have produced those documents, or the series of documents of which those were a part. It may well be. I have very real reservations in my own mind as to whether or not, without the actual disclosure by a member of the staff of Ontario Hydro of certain of those documents, the importance of that raw material evidence would be available and readily appreciated throughout the province and to that select committee of the assembly.

I think it is absolutely essential that this select committee accept full responsibility, both for the security of that information, for the purpose of its study and analysis by the committee, and, in due course, for its availability to the public as it becomes available to the committee in the course of the ongoing work of its study, in an objective sense of the safety of the nuclear system. If any of those documents are to be denied to the public, then it is my view that the select committee must take the responsibility for that decision and give the reasons why any particular documents are not made publicly available.

There may well be a case for those procedures within those installations, related to the security of those plants, where that will be required. But I think it is important for us to understand it must be the responsibility of the committee to make the decisions with respect to whether the various documents underlying the whole of the public informa-

tion about the safety of the nuclear system is made public for comprehension and study and understanding of the kind of options.

The reason I think this is extremely important is that the province is at the point where it is going to have to make a decision: is the nuclear energy program the transitional way to energy produced by renewable resources—solar energy or other kinds of energy produced by renewable resources? The government must decide whether the nuclear option is the transition stage, or whether it is possible to have a moratorium now. And it must decide whether the work of the select committee is headed towards—speaking of the nuclear option—a moratorium on the development of further nuclear installations here, until that select committee makes its report. The committee must be directed not only to the question of the safety of the nuclear establishment within the province at the present time, but whether it is necessary to go to the transition through nuclear power to safer forms of energy sources for this province.

At its convention about two years ago our party opted in favour of an immediate moratorium. This would allow that kind of study to take place to determine whether we are irrevocably involved in pursuing the nuclear option or whether we can say it did appear to be necessary but it is no longer necessary in order to provide security of energy supplies for Ontario in a developing society.

I think it is interesting to recognize that a mere 25 years ago there was little if any knowledge of the technology of nuclear fission for the generation of electric power. Very little of that actual applied technology was available. Now it appears to be in an almost runaway stage, not only in Ontario but in areas where energy is in short supply or in countries which do not have any indigenous energy resources apart altogether from the nuclear option.

A concentrated, determined effort was made here when Ontario Hydro decided in the 1960s to pursue the nuclear option, under the emphasis of the then leader of the Conservative Party, the Honourable John Robarts. Whether or not it would be fruitful if that kind of direction were given today to Ontario Hydro to require them to explore with a sense of urgency and importance the technology of energy productivity and energy generation from the renewable sources is worth considering. It might be beyond the comprehension of most of us in the assembly as to what the technology would be. However, that does not make it any different from the kind of technological information which

was available 25 years ago and on which the present nuclear plants in Ontario are based.

I do not know the mechanics or the procedure by which the re-emphasis by this assembly should be made to the select committee. But barring everything else, the committee should be told not to move in a leisurely way into the study of this topic along with a number of other topics, but that it move with all deliberate speed to recognize the urgency and the importance of the study which they are doing, the responsibility which they must assume, the responsibility which ultimately this assembly must assume and the responsibility which ultimately the government of Ontario must assume, before they lock us in irrevocably on the nuclear path.

Whenever we talk of energy, we have immense vested interests already involved in the field. Therefore, it takes the kind of detached, objective, independent view, which in my judgement is only possible for a committee of this assembly, to bring to the people of Ontario a sense of what the alternatives are, what the possibilities are, what leadership can provide and whether or not by the turn of the century we might very well be in the position where we could look back and say, "Thank God we halted the nuclear option at the time at which we did halt it. Thank God we have moved to renewable resources and resources which do not have inherent in them the immense destructive capacity on which the nuclear option is based."

I want to turn just for a little while now to three areas which fall roughly within the responsibilities which I have been asked to assume in our caucus. I have been concerned for some time about the adequacy—I am not talking about the competence of the people involved—of the procedures by which something called catastrophes are dealt with in Ontario, regardless of the nature of the event and regardless of the cost or whether they fall within that strange world of the acts of God, such as the tragedy of Field in the last while, or whether they are man-made in the sense of significant spills of noxious materials of one kind or another—noxious to human beings and noxious to the environment in which we live.

I have had some correspondence about it with the Minister of Intergovernmental Affairs (Mr. Wells) and with other ministers involved. I understand that the first point of connection for practical purposes for the great bulk of the province is the Ontario Provincial Police. But nowhere do I see it clearly earmarked as to what the course of

events is; what participation by the public is required in many cases; and the motivation to get that participation activated in circumstances of an emergency, wherein most of these incidents of which I speak could fall.

Because we are relatively free of climatic hazards and relatively free so far of significant spills of one kind or another in the chemical or energy field, I have the funny feeling that we in Ontario seem to be always in the position where we categorize whatever happens as a disaster. We seem to let the disaster take its course and then have a discussion as to whether or not we will make dollars available to the particular locality which has been damaged by the disaster in order to repair the damage.

I say to the assembly that that seems to me on balance, to be a very passive approach to the problems we can be faced with in Ontario. I think it is important—and I hope we will be able to pursue this matter in the estimates of the Solicitor General in due course—that we understand as members of the assembly exactly what takes place when the report goes to the OPP, which is the nexus of connection between the public and the system which is supposed to go into operation, then to understand how the system is motivated by that particular connection, and then to decide how we can in some way make certain, to the extent we have the capacity to do so, members of the public are alerted to what they may be required to do, depending upon the extent and nature of the event that triggers the whole operation.

[3:45]

I haven't been to Field and I don't know the topography but I felt a deep emotional feeling towards the people who suffered that particular catastrophe, as I know many people did. I had the funny sense that we in Ontario were responding in a much less positive way than the people in Manitoba, who have had a history of this particular kind of event. We seem really to be in a very passive role in relation to the flooding that did take place. All our action seems to be after the event. It is my concern and my wish that in some way we could make certain the alarm network and how it operates, and the way in which the public is to participate, should be looked at very carefully and very clearly.

I recognize that with the limited number of members and the numbers of committees we have we can't solve everything by delegating it to a committee, but I would think it might be immensely helpful to the province

if a committee of this assembly—there's no need to have a large committee—were given the responsibility of looking at the emergency procedures in this province and what the events are that are likely to occur or may possibly occur, and of publicly interviewing and calling witnesses to determine the ways in which we should respond to make certain that we have an adequate plan and an active plan.

I have this sense of passivity in the way in which we in Ontario are prepared to deal with events that may occur which are a danger to human beings, disastrous to some communities and potentially hazardous on a permanent basis to the environment in which we live.

I want to reflect on another item for a moment because I have a responsibility in our caucus with respect to this strange jargon word "multiculturalism." I'm not at home with such language. I have an instinctive dislike of words such as "multiculturalism" and "anglophone" and "francophone" and other such linguistic monstrosities in which we tend to hide matters of importance when we really don't want to communicate directly with each other as to what they may mean.

Right from the very beginning of the concept of the country, and Ontario in particular, becoming something called a multicultural society, I had immense difficulty with what the government kept saying was its policy in the field of multiculturalism. I want to try for a moment to express my difficulty, and I refer of course to the recapitulation in a report on multiculturalism, a summary of recent developments which came out I believe this year. In any event, it's quite recent and it quotes the policy of this government as enunciated by the Premier some time ago:

"The Ontario government's multicultural policy enunciated by Premier Davis in May 1977 seeks to ensure (1) the equality of all members of society whatever their heritage in terms of enjoyment of rights and fulfilment of obligations, (2) the freedom of access to public services and facilities for participation in recreation and social intercourse, (3) the right of individuals and groups to maintain and develop their ethno-cultural heritage, including language. These aims constitute the credo adopted by the multicultural development branch of the Ministry of Culture and Recreation."

The reason I have difficulty with that as a policy is that I say we could do nothing less. It would appear to me to be the elementary foundation of a civilized democratic society to say that those are the goals, be they known by the short terms of equality,

participation and appreciation. I cannot conceive that a society such as the society in Ontario could have any other goals for the people who are among its citizenry, regardless of where they may come from.

I had some difficulty in understanding the problem I was faced with, and I can hardly dignify that as a policy. I could understand it as a statement of fundamental principles of necessity inherent in a civilized democratic society, but not as a statement of government policy. Which leads me to the next progression I have been trying to make, in the hope that I might at some point understand what multiculturalism is about.

I could not help but come to the very fundamental conclusion—and I suppose this is a truism or trite saying—that you cannot extract language from culture and have something left. I am not saying that culture is synonymous with language, but I have difficulty in conceiving of a culture divorced from the language, because it is such an important part of the whole world of culture.

For example, I think language is the only means by which we can interpret anyone else's mind and the only way in which we can relive any other person's experience. Certainly, in relation to cultural groups, language is not only an essential ingredient in the maintenance of the particular cultural environment of peoples, but also the method by which and through which we talk with each other and we hear what the other person has to say.

When I focus upon language I therefore must come to a significant conclusion about a riding such as my own: We must do everything, I believe, through the educational system, with government support—not through the spontaneous efforts of individuals but with direct government support, as a matter of government policy—to be certain that we maintain the many languages of the peoples who formed the society in Ontario.

I say this for two or three reasons. First of all, I do not happen to be one of the persons who gets uptight if persons from countries other than English-speaking countries are taught in their own language, in the elementary and other parts of the school system, a range of subjects. There must be many children for whom the only way in which they can participate in our educational system, at least on a transitional basis, is through the facility of their own language in our own school system.

I am surprised at the number of people who get really concerned that somehow or other the Ontario society is being hurt severely if Greek-speaking children are educated in

the Greek language or have their range of instruction in the Greek language in the elementary schools—or any other language. I have never been able to understand that.

I have not in any sense come to any definite conclusion about what the specific policy should be, other than that I think it is the role of government, specifically and of necessity, to take hold of that question of languages. Be it the Chinese language or one of the Chinese languages, be it the Italian language, the Greek language, the language of the Pakistani community, the language of the Sikh community, Punjabi, or any of those languages, we must see in a positive way that they are preserved for those members of the society who come from those countries.

We stand in grave danger of losing the capacity to maintain those languages in one, two or three generations. I'm certain that my colleagues know very well that in one generation, with the impact of the English language as the language in which one lives and moves in our society, it is very easy for the first and the second generation to lose their capacity to speak in the language of their parents or of their grandparents.

I think that's tragic in a country such as this and I think we have a profound responsibility, if we are committed to multiculturalism and to maintaining a multicultural society, to ensure that that language component of culture is positively supported through the educational system.

I am indebted to Mr. Ray Wolfe in another aspect of my concerns for what this sense of multiculturalism means in Canada today. I think all of us probably received the copy of the remarks which Mr. Ray Wolfe made when he was given an honorary degree by one of the universities in Israel. When he was speaking in acceptance of the honour conferred upon him, he spoke in almost universal terms about the problem of all of us in coming to a new country, whether we came three, four, five or six generations ago or whether we came as recent immigrants.

It seems to me to speak to everybody in Ontario, if they would think about it. It seems to speak to what I believe to express the essential nature of a multicultural society and what it means in a democracy such as ours. Being indebted to Mr. Wolfe, I'm going to quote, with very few changes, comments which he made at that time.

"I should like to contribute this simple account of how one person deals with the dichotomy of loyalties which arises between the country to which he belongs and that other country which he feels belongs to him.

"My father came to Canada from a land where, as in so many parts of the world, existence was marked by persecution, bitterness and poverty. In Canada my father found a haven which proclaimed itself a democracy, and it was this attribute which I was raised to cherish above all others.

"As the years passed, it was in the light of that word, 'democracy' that I discovered the freedom to define myself both as a Canadian and a Jew. When, as sometimes happens, I am challenged to state the order of my loyalties and to justify the privilege of linking them with a hyphen, I say that what distinguishes democracy is the right it confers on people, the priceless right, to be different, to hold opinions not identical to those of their neighbour and to believe without the compulsion to conform.

"One who calls himself a Canadian-Jew is not hyphenating his allegiance but defining himself, proclaiming his own freedom. It was in pursuit of this freedom that my father crossed a continent and an ocean and came to a strange new country, so that I might have a future without having to forget my past, so that I might be myself instead of pretending to be other than I am.

[4:00]

"Is it not, after all, on the ability of society to accommodate and accept our differences that democracy is founded? It is not the function of democracy to obliterate historical or cultural plurality. It is the goal of democracy to allow each to contribute to the common society.

"In short, no Canadian principle requires me to develop an historical amnesia; no Canadian ethic compels me to become alien to myself, to commit spiritual suicide, to cut myself off from those who gave me the innermost sense of my own being."

I end the quotation, and it needs no comment from me because of its universal application, other than to say that if one substitutes for a particular person, instead of the word "Jew," the word "Irish," the word "French," the word "Sikh," the word "Greek," the word "Italian," whatever one wants to use as the particular hyphenated conjunction with the word "Canadian" to designate the place from where either the person or his family originally came to this country, then it seems to me, in Mr. Wolfe's words, that we have a universal statement of what I think a multicultural society is and must be.

The very study of those words poses an immense challenge to this assembly to make certain that we take the kinds of affirmative

actions which are required in order to make certain that the multicultural nature of the society is something other than a mere form of words and something other than, from time to time, the kinds of ethnic celebrations which we all enjoy and delight in but which do not really speak to the way in which we must develop the kind of multicultural society which I believe is our obligation and in which we in this party—indeed in every party, I'm sure, on reflection—are dedicated.

I think we have a long way to go in affirmative action in various areas of government, in order to realize with great difficulty, in what was almost a unicultural society at one time, perhaps a bicultural society at another time—and certainly at this time, as anyone in Canada knows—a multicultural society.

I want to turn very briefly to the question of Confederation. I do so because I had placed on the Order Paper, about the same time as my colleague the member for York West (Mr. Leluk) had placed a motion on the Order Paper, a motion dealing with Confederation.

It had been our intention that had the government introduced and placed on the Order Paper its resolution foreshadowed in the throne speech—and it may well be, at some point, that will happen—our resolution will appear as a government motion. But one doesn't know what the course of events will be in this assembly in the field related to matters touching on Confederation.

There is a very evident intention, conscious or otherwise, of the government to exclude the members of the assembly from any participation in the process of constitutional rejuvenation which is going on in the country.

The resolution I put on the Order Paper—and I'm not going to read it; it's available on the Order Paper—was simply to ask that there be established a committee of this assembly to be conversant with and to have an ongoing participation in the development of the constitutional thinking which must, of necessity, be gone through if we are to reach our goal of a united Canada, to which we all pay our particular tribute and homage.

When the time came as to whether or not I would debate that resolution as my contribution to private members' public business, I had discussions with the House leader of the government and with the Minister of Intergovernmental Affairs (Mr. Wells), because I had raised with them what the intentions of the government were with respect to its resolution. I am not casting any aspersions on the ministers involved—I have some

knowledge of how these processes work—but I had the expression of the intention of the government that it would be coming forward in a very few days. That was back on April 1. We have not as yet—unless it is on the Order Paper today—seen the government resolution.

I know there was to be a debate last week on the government resolution, but for reasons which are probably locked in the minds and souls of the House leaders of the three parties the decision was made that the debate would not take place at this time but at some later date.

I want to speak now about the proposal to have a committee of the assembly, in the hope and anticipation that the government will adopt the suggestion and in its resolution will embody a provision to provide for the appointment of a committee of this assembly, substantially with the terms of reference that were set out within my resolution and with somewhat similar responsibility, and will provide that the committee be required to recommend to this House the policy and proposals for Ontario which will best ensure the continuing unity of Canada, the said committee to report not later than November 1, 1979.

The reason it seems to me to be important is because I can't understand what is taking place in the Confederation debate in the country. I haven't understood it for some considerable time and I certainly don't understand it at the present time.

It does not relate to the questions of the revising and the redrafting of the constitution and the changes which will be necessary in it. All of those are interesting alternatives. There have been many proposals put forward about the fundamental structures of the country, there have been many proposals put forward about matters of primary importance to the country, and there have been many proposals put forward relating to many of the secondary matters which must be dealt with in a constitution which down the road it will be very important that we think about.

The funny thing is, when party leaders in this assembly and in the national debate that is going on say we all want less unemployment, we all share that goal of less unemployment. We all want more economic growth, and we all share that goal of economic growth. We all want stable prices, and we share that goal of stability in prices, the curtailment of inflation, however you want to express it. In energy matters they all say we share the goal of security of energy resources, of energy sources for Canada, a security of supply. They all agree with that.

Then they all proceed to put before the people of Canada the alternatives by which they think they can achieve those goals. There is a wide range of goals which are common to the leaders of all three parties, common to all three parties, federally and provincially, that don't inhibit in any way very significant differences of opinion as to how you achieve the goal.

In most cases, the debate in political terms is about those very alternatives of achieving those goals, but the funny thing which happened in the 1977 provincial election and which seems to me to be happening, and I am only an observer of the political scene federally, is that in 1977 the three leaders of this assembly said—this is not by way of any reflection on what happened at the time, but trying simply to understand it—and again now are saying we all share the same goal, we all want a united Canada. But for reasons which I don't understand, as distinct from all other shared goals, they won't talk, any more than the leaders of our parties here in the assembly did in the 1977 election, about what we would do to maintain a united Canada.

The sole contribution and the inflexibility of the position has been stated in what we will not do—that is, we will not negotiate sovereignty association. But that's a very negative contribution to the debate. I say about my party as much as I do about either the Liberal Party or the Conservative Party—and I say it both provincially and federally—it's about time we started to talk about what positive steps we intend to take, between now and at the time the referendum is taken in Quebec, in order to achieve the goal of a united Canada. It's time we did this so there will be an open debate about it. I would hope that out of that debate and discussion we can find some specific steps which will be taken.

It seems to me we run grave danger of being mesmerized into immobility, which is unacceptable to me in a political sense—that we must await the referendum in Quebec before anything else happens. We are supposedly to go down to the wire, conveying to the people in Quebec that we are not going to take positive steps to keep Canada united. We are to say to them: "We won't negotiate sovereignty association now. You go and have your referendum in the knowledge that's our position." It is very immobilizing, very mesmerizing, and it has hypnotized the political debate in a way which seems to me to be quite unacceptable.

I don't know any more than anyone else what the course of events is going to be.

I don't happen to believe there's going to be some specific climactic moment that's going to take place and we are going to say the country's falling apart or hasn't fallen apart. I don't think that's the way the political process operates in matters of this deep import.

So far as one can judge in reading and following and trying to understand and interpret what is taking place with the many voices contributing to it, and the many diverse ways in which it is expressed, it does seem to be very clear it has already been determined that there's not going to be a question of, "Do you wish to be separated from Canada or not?" That's not going to be the question. It's not going to be a question which can be answered in those terms.

Indeed, I think the Premier of Quebec appears to have said very clearly, to me in any event, there's not going to be any unilateral declaration of sovereignty or independence. If there is, it's somewhere down the road. What he is saying presumably—and I can be completely wrong on the matter—is that the question on the referendum is going to be phrased something like, "Do we have a mandate to negotiate something called sovereignty-association?" That appears to be the question which is going to be placed on the paper and it seems to me that's the kind of question a person in Quebec is going to have difficulty voting against.

So if it turns out that somewhere within that range of possibilities I have selected one which is, by and large, the way the question is going to be put, surely we are not in a position where we are now saying that in the light of that kind of mandate there aren't going to be negotiations, that we refuse to sit down and talk, that is the other kind of rigidity which has crept into the whole of the discussion.

[4:15]

But I want to come back and reinforce the suggestion I put forward—and it is implicit in the resolution which I had before the assembly; to say to the assembly and to say to the government please include a provision with respect to a committee of this assembly so that all of us committed to a united Canada can assess what we will do from now until the day the referendum is taken, which everyone assumes is going to be a new chapter in the book—not a divorce within the Canadian Confederation but a new chapter in the book—and then we can deal with that.

If we are all agreed that we want a united Canada, then it seems to me there are some very specific things that can be done from

now until that referendum is called in order to communicate within the country, and with the people of the province of Quebec specifically, why we want a united Canada and why we think it is important in historical, traditional, present-day or future terms—whatever terms anyone wants to use and for whatever reasons anybody wants to advance.

It does seem to me that to have this sterile immobilization of that debate, which appears to me to have taken place, is a disservice to the importance of the debate and a circumstance in which I, as a member of the assembly, do not want to find myself having sat through an important period of the life of Confederation and to find that we, as members of this assembly, have not participated in it.

The other aspect is that they argue: "Is it important? Is it a major issue or not a major issue?" That seems to me to be a ridiculous way of talking about the topic. One can make whatever rationalizations one wants about it, but it is an issue, a very vital, important issue. Whether it is the major issue, whether it ranks on top of everybody's concerns, it seems to me that we have that responsibility.

So far as individual members of the assembly are concerned—and whether I speak about the backbenchers of the Conservative Party, about the members of the Liberal Party, or about the members of this party—we have no sense of participation at all in what is going on; until we do, I for one am going to continue to call for a committee of the assembly to be a participant.

One need only look at the debates at the time of Confederation to realize that members of the Parliament of Canada went down almost en masse and toured around Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland at the time of the original Confederation. They went from city to city, sharing views and discussing the possibilities and prospects. True, that was perhaps a somewhat more optimistic time for many people to join together in the Confederation. But surely if it could be done in a more optimistic time there is an impelling obligation on us to do it in a more difficult and awkward time in the life of our country.

I do not happen to be a rabid nationalist; I happen to think that the country of Canada—and I prefer to call it a country rather than a nation or some other esoteric term of political science—the country really cannot very well exist against the immense pressure from the United States unless we have the participation of the French-Canadian peoples, as well as the peoples elsewhere in Canada, in making certain that it does exist.

Those are my positions and the reasons why I feel very deeply about the responsibility of this assembly, and the only vehicle I know is by the appointment of a select committee.

Another aspect of my reflections upon the nature of the legislative and government process in which we are engaged here, is that I think part of the solution is for us to commit ourselves to a much more rigorous form of democracy than we have been used to. I touched upon this in my opening comments on Friday last when I talked about the role of the member of the assembly in relation to his own riding and the method by which he senses what his constituents wish of him, as a member, on all of the range of issues and topics which come before him from time to time. I am inclined to think—and I have difficulty in overcoming this kind of obstacle because I tend to be a pretty rigid parliamentarian in the sense of the representative nature of the democracy; but I have tried to read a little about the referendum operation as it was worked out in the United Kingdom and the referendum law that was then passed in Quebec. Certainly, the experience in the United Kingdom was a good part of the basis on which the province of Quebec evolved their own referendum statute; not related to the one issue but a general referendum law. And now we have one in the Parliament of Canada with all of the tremors that the rigid parliamentarians like myself sense about the referendum method of democracy.

It does seem to me that we might very well give consideration, and perhaps an appropriate place would be in the procedural affairs committee, as to whether or not the time has come when a referendum law of general application could be one of the instruments available for assessing and getting some sense of what the people in the province wish on matters of significance and importance as they come through the assembly. I do not know about that, but I think we would be foolish to take a view that we are so wedded to and pure in our parliamentary representative system that we cannot envisage the possibility of a referendum law.

My last plea, Mr. Speaker, before I stop my particular contribution to this debate, in which I have welded both my contribution to throne debate as well as to the budget, having unfortunately missed the throne debate, is to say that we must be vigilant about making certain we look very clearly at a rigorous type of democracy for Ontario, much more rigorous than we have practised for a long time. I think we are almost at the point where the individual members in a little while may have the resources to

permit them to do what impinges so heavily on the individual members, that is the individual case work within their constituencies. This is particularly so in the urban constituencies; perhaps also in the rural constituencies but I am not familiar with that part of it. We, as members, should see whether or not we can now direct ourselves towards the other aspect of our responsibilities, which is the nature of the democracy within our constituencies and the way in which we in this assembly, through the use of the referendum or other techniques which may be available in a more rigorous democratic society, could get less of a sense of isolation from the world around us, which isolation inhibits all of us in the expression of our concerns.

It is with those remarks, somewhat within the framework that I opened my remarks last Friday, that I now close them.

Mr. McCaffrey: As is the custom in the budget debate, I want to say some things about my own constituency and there are one or two comments I would like to make about the budget. If I may begin with an observation or two following some comments made in a broad area of procedural affairs last Friday by the member for Riverdale, who just concluded his comments.

If memory serves me correctly, the member for Riverdale was commenting on how the office of the clerk had responded to this explosion in committee work around this place effectively. It was in the form of a compliment to their diligence. I want to briefly and publicly thank Mr. Doug Arnott, who is the clerk to the standing general government committee, that infamous committee that has been now for a little bit more than one year looking at the question of continuing rent review legislation in Ontario. I guess it has been four or five months since Mr. Arnott's work as a clerk to this committee has been under way.

He has been extremely helpful and useful to us, not only in compiling the number of briefs, of which there have been many dozens over those months, making them available to us in an orderly way, but on a regular basis he has been working, sometimes under difficult circumstances, to arrange for witnesses to come in and to make their oral presentations to the committee. This is difficult because of the clause-by-clause work we are doing, and he is forced to make a reasonable guess as to where we might be one week away from the phone call by the witness. I think he has done some excellent work with us.

That committee has been a tremendous experience, a heavy experience in a lot of ways, for those of us who have been involved in this topic for some time. Just by way of a public compliment to the member for Riverdale, there will probably be another time to do this, but he has been not just a regular participant at the committee, but his contribution, I think, has been extremely important. In due course tenants, if not landlords, will want to be reminded of the work he has done.

In the broad area of procedural affairs, if it is appropriate I would like to make just one or two comments. They come by way of frustration with the system here, and I hope they are taken in that context. As recently as this morning I did make arrangements through the clerk of the procedural affairs committee to attend the next meeting, which I believe is Thursday morning, and in a more formal way express some of my concerns about the handling of timetables, et cetera in this place.

I think the whole matter of the budget speeches which we are now involved in is one indication of how I as a relatively new member here find that we often don't use time as effectively as one would hope. The budget speeches have some longstanding relevance historically and traditionally. Every private member has the right and the responsibility, if he takes it, to respond in the budget debate. But quite often, I think, it is not just unique to our caucus, we find we are rushing around at the last moment to get people to respond in the budget debate. I think that is often true in the speech from the throne debate as well.

Mr. Nixon: You could always use your old television scripts.

Mr. McCaffrey: It's even worse than that; I could use last year's response to the budget.

Mr. Nixon: There was a great program on Saturday night.

Mr. McCaffrey: Yes, that wasn't bad. It lost a little in spontaneity. What it lost in spontaneity it made up for in appearance.

[4:30]

I could use last year's speech, and as I was about to say, Mr. Speaker, other than my mother, who is a regular reader of *Hansard*, I don't think anyone else would notice. I think that is one of the things that bother me a little about the use of time in this place. We go through the motions of making sure that there is a quorum in here, whatever the number is, 20 people in any given day or night, and we seem to be a little short of that at the moment.

But we have, from my point of view, a regular series of problems every Tuesday and Thursday night when the Legislature sits from eight until 10:30, often sitting paralleling committee work, and when people are advised to be in the building in anticipation of a vote. I guess it's true in all caucuses that Tuesday night is the command performance night, being legislation night. The likelihood of a vote taking place at 10:15 on Tuesday has been pointed out to us regularly by our whip, and I'm sure that's true in the other caucuses as well.

Mr. Nixon: We're here all the time.

Mr. McCaffrey: There are those of us who are here often as well, and there are undoubtedly some who are here all the time. It does, however, beg the basic question of whether it is the best use of time to be available as it were in this building from eight o'clock on on those two nights during the course of a normal week.

I, quite frankly, take no comfort in the fact that when I mention this to people who have been seasoned veterans in this place they say it's nothing like it used to be, and I've been regaled with stories about how often votes would occur, if at all, at three o'clock in the morning and so forth. When I was a regular taxpaying citizen outside this building I didn't realize that that silliness went on, and at that stage of the game I think it would have been as difficult to accept the wisdom of that at that time as I find it difficult to accept the wisdom of these standing Tuesday and Thursday night appointments where people could be using their time more effectively. I'm not talking just as a Metro member about somebody who might be back in his own constituency meeting with voters, although it's very clear that that's a—

Mr. Nixon: Or watching television.

Mr. McCaffrey: Or watching hockey games or whatever, each of the members can wrestle with his own conscience on those kinds of things, but just to be on call for 10 or 12 hours a week for the possibility of a vote is something that I think leaves a lot to be desired.

Mr. Nixon: You're supposed to be in here listening to the debate so that you'll know what you're voting on, or possibly even being persuaded.

Mr. McCaffrey: I can usually get caught up pretty quickly on what it is we're about to vote on.

Mr. Ashe: You can miss an hour or two and not miss anything in most speeches anyway.

Hon. Miss Stephenson: You could have missed all last Tuesday night and not missed anything.

Mr. Samis: Come on, Bruce, let's hear from you.

Mr. McCaffrey: Right, thank you George, I appreciate your interest in this. Maybe also as a relatively new member and not part of the establishment around here, I find there are people who—I think of them as part of the establishment, on both sides of this Legislature, just because they have been here for a long time—accept a lot of these things a lot more quickly than perhaps newer participants in it.

In summary, on this whole question of the use of time in this place and in committees and in the Legislative Assembly, I'm convinced that things could be done better and that there is a better way. If the opportunity is there on Thursday morning for me to speak in some detail at the procedural affairs committee I hope to do that, and perhaps subsequently to talk to my own House leader about it. I would hope that other private members would speak to their respective House leaders about it as well.

I said I wanted to make one or two comments on the budget, and I'd like to specifically speak now about the health premium. I think it was an important part of our recent budget where it was announced that premiums would be maintained, because it was not necessarily clear 12 or 14 months ago that that would be the case, and that premiums were increased this year 5.3 per cent to reflect the obvious increases in health care in Ontario.

In the earlier budget of March, 1978, we were faced with an unacceptably high increase in the rate of premiums. Following that it was decided that a select committee would be established to look into other alternatives of financing the health care system. That committee, of which I was a member, met for four months in the summer and early fall of 1978. That committee heard briefs from medical people, economists and others.

Our primary task was to find, if we could, another alternative to health premiums as a way of raising money.

We looked at the alternatives, some of which are outlined in the recent budget paper: lottery profits, sales tax increases, increases in corporate income tax rates, payroll taxes, and personal income tax rates.

I do not think it is appropriate to go into the reasons—I think they are fairly obvious—why we rejected increases in sales tax, corporate income tax, payroll taxes, et cetera,

to cover that roughly \$1 billion that is raised by premiums. But I do want to make one or two comments on the matter of personal income tax rates.

Reading from the budget paper: "The remaining financing alternative for OHIP is the personal income tax. This was the option to which the select committee devoted a great deal of its attention. In fact, both the Liberal and New Democratic members of the committee opted for refinancing via personal income tax, although with some differences as to how it would be implemented.

"The personal income tax option is appealing for a number of reasons. Even with indexing, the revenue growth of this tax substantially exceeds premium revenue growth. The necessary tax increase could be collected with virtually no increase in administrative costs and the existing premium administration system could be scrapped, thus saving government overhead and relieving employers from administering the current system. The tax is progressive, and thus the entire system of health care would be financed primarily on the basis of ability to pay.

"On the other hand, some strong counter arguments can be advanced. With premiums currently raising some \$1 billion, the required adjustment in the personal income tax would be 13.5 points. This 30 per cent rate increase in Ontario income tax would create a significant disturbance in the tax system which could reverberate throughout the economy, even if it is phased in over a period of time.

With the province poised for a significant take-off in job-creating investment, many would question the wisdom of eroding individual initiative and incentive, which could certainly result from such a large tax hike."

I would like to make a comment or two on this matter of eroding individual initiative and incentive. I would like to say that not simply in the context of what that would mean if the money currently raised by a premium were raised via personal income tax routes but also in a more general sense because of the number of times members of the opposition see the personal income tax vehicle—that progressive tax vehicle—as a way to fund all kinds of other social programs.

I think that is worth emphasizing, because it is not just in the area of health that we hear from opposition members that we should go to the progressive tax rate to fund programs. There is in this province from the opposition members and in the country, from NDP members in Ottawa in particular, a frightening level of ignorance about the advisability of using progressive income tax rates to fund all these social programs.

To put my concerns in context, I would like to state that in my judgement we are at the margin now as to how much more we can rely on this revenue source without deteriorating incentive in this country.

There is a young economist in the United States named Arthur Laffer, I think, who has done some work on this matter of income tax and how it impacts upon initiative and incentive. I would not recommend that the opposition members take too much time in reading some of his work because it is relatively simple.

His basic thesis is that, as the tax rate is increased by government, the tax base goes down: so you do not in fact increase your revenues. Laffer has spoken in this province on one or two occasions. He uses some anecdotes to make his point, and I would like to try to paraphrase a couple of them.

Using the Robin Hood theory to explain how progressive tax can militate against the government's attempt to increase revenues, Laffer has a more modern Robin Hood who goes through this hypothetical forest and doesn't just rob holus-bolus those who are wandering through, but takes from them on the basis of their ability to pay. Very simply, if Robin Hood stops a rich individual wandering through the forest he would take a very high percentage of that person's income. A middle income earner would pay proportionately less to Robin Hood, and a poor individual caught wandering through the forest would likely not have to give up anything to Robin Hood.

It is the rich, though, that are singled out by him as they take the shortcut through the forest and he increasingly takes the lion's share of their worth.

Laffer asks: "After a series of such robberies how long do you think it would take a rich person to learn to stop walking through the forest?" He can expand on that simple point by talking about how people would use other alternative routes or, in more practical, modern-day terms, how people would use tax devices to save themselves from being taxed unduly. We see all kinds of tax-saving vehicles available to people in middle and upper middle-income brackets these days. It does not take people who have a high income very long to learn effective ways of saving that capital or otherwise protecting their income.

He uses, too, a mythical example of a city—call it Toronto—where members who share a political philosophy like the New Democrats might sit down and say: "Let's tax everything above—we'll pick a number—\$75,000. It's a pretty high number. There's

no individual family who should not be able to provide for all of their needs on \$75,000, so all of those people in this city of Toronto who earn more than that we're going to tax 100 per cent of it away."

You can then ask the rhetorical question: "How much additional capital would these NDP philosophers collect when they implemented this new tax scheme?" The answer, of course, is that they would not collect any additional revenue, because anyone whose earnings were greater than \$75,000, for example, would move. I think that this has been a phenomenon that has been happening in this country for some time, where, increasingly, through the public pronouncements of the New Democrats in particular, individuals and corporations can see that they're hostile to profit; hostile to capital and they tend then, very simply, to move.

Mr. Samis: You're sounding like Bill Bennett.

Mr. Ashe: You should have more of your buddies in here to listen.

Mr. McCaffrey: There's nothing more flexible than capital.

Mr. Samis: Where would they move to? Quebec?

Mr. McCaffrey: They have moved to the States. They've moved to Phoenix. They've moved to Houston. They've moved in large numbers, actually, and I think that to an alarming extent, the people who are insensitive to money, to capital and to the fact that it's a highly mobile medium, I don't think you realize the kind of impact that you have when you constantly threaten, through committee investigations and so forth, corporations that might have had a particularly good year. I want to get into that a little bit later when we talk about the employment development fund.

To summarize the thesis of this economist Laffer, as the tax rate goes up, the tax base goes down. You cannot increase the tax rate without people finding other ways to bury it, to otherwise hide it, with no additional revenue for the government in question, or, what's even worse, people will move to what they perceive to be a more hospitable environment.

[4:45]

I mention that because I think the maintenance of a premium here in Ontario was an important recognition that you cannot go back to the progressive tax base for everything and that there is an obligation that government's have, and thank goodness this government has it, to show taxpayers as much

as possible where their tax dollars go. If people learned nothing else from that committee work in the summer of 1978, I think the fact that \$1 billion, approximately 25 per cent of the money spent on health care in Ontario, comes via the premium route was an important point. I think it could be improved a good deal by advertising programs, and perhaps the odd message to constituents by members of this Legislature, to show people the premium does raise about 26 or 28 per cent of the money required for health care, that it does not pay it all.

One of the things I learned from that committee's work was that some of the opposition MPPs showed surprising insensitivity to taxes and the way taxes have an impact upon people. The member for Scarborough-Ellesmere (Mr. Warner) is not here just now, I kind of wish he were here.

Mr. J. Reed: Our insensitivity is to this government's spending.

Mr. Ashe: Speak to your buddies down in Ottawa.

Mr. Ruston: You guys have outspent them.

Mr. Ashe: That will be the day; in fact ours is petty cash in comparison.

Mr. Ruston: Just look at the budget and see who has spent the most over the last 10 years, has had the biggest increase; Bill Davis's government.

Mr. Samis: What has Joe Clark promised today?

Mr. McCaffrey: The member for Scarborough-Ellesmere (Mr. Warner) indicated during the work of that committee that he had no idea how much income tax he paid. It doesn't surprise me. When one looks at the NDP caucus I think about half of the good people there were school teachers before coming into public service.

Hon. Miss Stephenson: Or social workers.

Mr. McCaffrey: Or social workers. I think probably more than 50 per cent of them have never had the opportunity—

Mr. Ashe: To work.

Mr. McCaffrey: —to have a cheque in their hands or cash in their hands that did not come in some fashion directly from the public pot. As a former school teacher I think I can say that without fear of contradiction here.

All members of the Legislature would be well served, but particularly the New Democrats, if for just one 12-month period everybody received his or her cheque every month without any taxes having been taken off.

Mr. Samis: How about if Steve Roman paid taxes like the rest of us?

Mr. McCaffrey: Then once every three months the member for Cornwall and his colleagues would have the opportunity to sit down and write out a cheque to the Receiver General of Canada, paying the amount that is normally deducted at source. It's just like someone, say a school teacher, who has never had a cheque in his hand on which he had to pay any additional tax but just got the net fee; it was all laid out on the form how much went to his pension plan and how much went to health, et cetera; and how much went to federal-provincial tax—

Mr. Samis: You sound like a cross between Milton Friedman and Jackie Kemp.

Mr. McCaffrey: —so that he only looked at the net figure. He never paid that much attention to the gross figure and therefore he wasn't conscious of how much money actually goes out to various levels of government.

I make this in the form of quite a serious recommendation, that all of the members of the Legislature would be well served if, for just one 12-month period, no deductions were taken off, and once every three months, or once a year, they paid that one big cheque to the federal government, and the other cheques as necessary.

There are countless people in our society, taxpayers and voters, who don't have the luxury of having all of these things deducted at source, who don't have the luxury of regular funds being taken off for their pension plan, who don't have the luxury of paid vacations and who don't have the luxury of having somebody else do the bookkeeping for them. It does bring it home pretty dramatically when you have to sit down and take a look at what is left over when you have paid these various levels of government for services.

I mentioned that in my judgement a number of citizens have been frightened away from this country, frightened off to the United States. I believe that. I believe a great many people have seen that the New Democrats in particular are so inhospitable to capital and investment income, and as a result a lot of people have opted to move.

I'm concerned when I hear members of the New Democratic Party talk about foreign investment and their fear of foreign investment in this country. It was brought up in question period today by the member for Nickel Belt (Mr. Laughren). I forget the exact question but it had to do with the amount of dividends paid to foreign owners of Canadian subsidiary firms.

Everybody is put in a bit of a dilemma by this kind of talk because concern about foreign investment in Canada touches on fairly strong nationalistic urges that we all have in wanting to keep this country for Canadians and for Canadian investors. The real problem is, by the time a series of ground rules are set that would make this environment inhospitable to offshore money or to foreign money, those same ground rules make this environment inhospitable for Canadian domestic money. In the words of that great socialist philosopher the member for Sudbury East (Mr. Martel), "You can't have it both ways." Ground rules that would make it impossible for an out-of-country investor to be attracted to this country cannot be set up without at the same time scaring off our own Canadian domestic capital.

There is only one series of ground rules for money and money is fluid. Actually, you put yourself on the horns of a dilemma there because you do try to have it both ways. There is an unbelievable preoccupation with multinational companies. It hits a responsive nerve end outside. It is fashionable these days—and you can pick the company, Imperial Oil, International Nickel—to be against the multinational corporations and to see all kinds of sinister implications in the establishment and growth of a multinational company.

I am amazed, after the hearings of the select committee on Inco layoffs back in the fall of 1977, when one of the things that became fairly clear, and four or five members of the New Democratic Party were on that committee, was that in most measures today International Nickel Company is not in fact a foreign company; 52 per cent of the company shares are owned by Canadians. It is a classic illustration; those members are treating it and applying to it all of the sinister motives they would to a company that might be wholly owned, or in large part owned, by a US parent. Yet Inco, if that is a reasonable measure and I can't think of a better one, is 52 per cent owned by Canadians.

When it came up in that committee I was always appalled by the attitude. The evidence was there, in black and white, that there were eight million shares of International Nickel stock held by Canadians. In spite of that, the NDP members still wanted to go back to the old game of trying to suggest it was some rich New York corporation or rich matrons in Rosedale riding who were controlling the ownership of that public company, forgetting that all of this information is public. The Ontario Securities Commission laws are quite clear in this regard. These companies have to report quarterly; it is

public information as to how much they earn, what their expenses are, who the shareholders are; and share ownership can change from year to year.

Yet on a regular basis, I think sometimes for motives that are purely partisan in nature, some members work on this old straw man of the out-of-country capitalist who is somehow doing a disservice to Canadians, failing to recognize the other side of the coin; the number of Canadians who actually own many of the shares of these companies, the dividends paid to Canadians, the income earned by Canadians and the taxes paid to Canadian governments in order to provide social services in the respective communities.

I am not one to stand here and defend International Nickel or any other company. They don't need that kind of defence; but I do think they all, small and large companies, need a little more awareness of why they invest, more recognition that they have the option to move. They can move very quickly, and any time one of these straw men is set up, again members should recognize that by scaring them off they are scaring Canadian capital out of this jurisdiction as well, and I think they are doing those they purport to serve the greatest disservice of all.

The recent budget gave some details about the Employment Development Fund, the \$200 million that has been set aside to assist Ontario taxpayers by encouraging existing companies to expand and putting them in a position where they can hire more people and provide more jobs. Ultimately, they can pay more taxes to help us underwrite the social programs that everybody here is committed to. I am a little bit concerned when I see some people, particularly members of the opposition, talking about the paradox of a government that will on the one hand fail to give an additional \$6 million to the TTC and yet find \$100 million for Ontario pulp and paper companies or \$28 million for Ford when Ford had made its decision to expand. I don't see any paradox in that at all. I think it's an indication of the government's relationship with the private sector. The government's obligation to help these companies expand is intimately related to the government's obligations to meet some of the social commitments we have.

I don't have the exact numbers in front of me today, but I have talked in the past to members of the Canadian Pulp and Paper Association whose head office is in Montreal. They are the people who have been responsible for a series of ads—maybe some members have seen them in the *Globe and Mail*—about the need to provide profits for the

pulp and paper companies so that they can continue to expand and grow at this time.

I can recall one or two numbers I would like to get on the record at the moment. In 1977 Canadian pulp and paper companies in Canada paid taxes of \$1.7 billion. Those were national numbers. I remember too that in the province of Ontario corporations paid just under \$200 million in the form of taxes to the Ontario government. Those are just the corporate taxes. That is not the tax paid by employees of forest product companies in Ontario. The number would be closer to \$350 million if that was added in.

The year 1977 was not a particularly profitable year for the forest products industry, but if one took that one year and that number, which I believe to be approximately \$350 million, one could do some pretty simple arithmetic to determine how many senior citizens' homes could be built for that, how many hospitals could be expanded and how many schools could be kept open or expanded, to show that the relationship between corporate profits and social programs is an intimate relationship.

We cannot have it both ways. Every time an industry has a particularly good year we cannot threaten to have them down here for some kind of an investigation. I am amazed when the leader of the New Democratic Party shows that he's read at least one or two of the current year's articles and knows that the forest products companies have had a fairly decent year, that he singularly fails to recognize that they had about 10 or 11 dismal years prior to that. He has stood up in this House in question period, at least several times that I have seen, and wanted not only to have an investigation into some of the profits of the food companies but has suggested that to spend \$100 million of taxpayers' money now on the forest products companies because they have had a good year is a bad use of money.

Of course it's just the absolute opposite. They had a good year in a large part because of the weakness in the Canadian dollar, a phenomenon that is not likely permanent in nature. It's another bit of good judgement on the part of this government to spend some taxpayers' money here in the form of an investment to encourage these companies to spend some of their own money now—it's on a one for three basis—in order to maintain existing jobs and provide new ones on a longer-term basis.

Among the new buzz words I find in this place these days are "research and development." How on earth we can encourage these companies to spend more money on research

and development and at the same time want to investigate their profits every time they have a decent year eludes me. We simply cannot have it both ways. The profits that these large and public companies make are distributed almost entirely amongst the shareholders, the overwhelming number of whom are holders of pension funds. The anomaly is that a great many of these union pension funds are the largest shareholders of some of the Canadian forest products companies we have been talking about.

[5:00]

The leader of the New Democratic Party wants the Ontario government as a quid pro quo to get some equity in these companies to whom we are going to lend or give this \$100 million. That is patently absurd to me at a time when the value of shares in those public companies that are already owned by union funds, through their pension and other accounts, far exceeds \$100 million, and where the real beneficiaries of a profitable cycle are Canadian workers.

I do not find that there is any anomaly in the establishment of an Employment Development Fund. It shows an intelligent use of taxpayers' money to assist existing manufacturing industries in this province and to encourage others to locate here, once they have made a decision to move.

It should not be lost sight of in the case of Ford—and I do not pretend to be intimate with the details in that—that surely the decision had been made by Ford to locate, and it boiled down to Ohio or Ontario. In all likelihood Ford phoned the Ontario government and said: "Look, here is what we are going to do. What can you do for us? If you can't match or better this deal, we are going to go to Ohio." Everybody can have some twinge of distaste for this new phenomenon of companies using governments in competing jurisdictions, but it is a fact of life; and the decision was made. When asked what it would do, the Ontario government responded quickly and, I think, effectively under the circumstances. That \$28 million will be paid back in two and a half or three years. We have talked at great length in the past here about the number of new jobs that that would create, and I think it is an intelligent use of funds at this time.

I would like to make a comment or two about Armourdale, not only because I find it is a fairly traditional thing to do here at budget time, but also because some of the earlier comments are relevant to the kind of constituency I represent.

I have said countless times, inside and outside my own riding, that Armourdale is a

unique constituency; and there are some ways one could measure that. It is a riding in the north-central part of Metro Toronto which has no industry at all. In that sense I think it is one of the unique ridings in the province. About 70 per cent of the taxpayers and voters live in single-family homes, with about 30 per cent then living in apartment complexes in the riding.

One of the overwhelming characteristics of this community—and anyone who knows anything about it I think could confirm this to be true—is that it is a community that personifies some of the best of the old-fashioned virtues; in particular, “Work hard and save” is one that comes to mind for me. It is, in the best sense of the word, a middle-class community. The number of people living in their own homes and trying to pay off their mortgages is quite high. One can see, just by walking with me—and I invite anybody to come along with me and walk some of the streets in Armourdale—that the people there are house-proud. I think in the overwhelming majority of cases that house represents their major savings; for a lot of people it is a combination of their life insurance policy and certainly the vehicle through which they will get their retirement income. But the classic virtue of “Work hard and save” is one that my friends would share with me, if they knew as much as I do about that area.

A great many people in the community are approaching retirement, and in that sense it is typical of much of the province, in that we have talked in this place about the demographic charts that show the rapid growth in those approaching retirement. That reality has to be reflected in some of the government programs, and I think the budget does that. The recognition that these people approaching retirement will have a greater need for some social services in all likelihood means that the growth of government revenues has to increase, and the only way it can increase is through a healthy, expanding confident private sector.

It is an area too that would be immediately characterized by the number of neighbourhood schools or community schools. There are just under 40 private and public schools in the riding. In some parts of Armourdale, we are now facing the phenomenon of a declining school enrolment on a day-to-day basis. Some of the schools likely face closure if the school board determines it to be the case.

The Minister of Education (Miss Stephenson), who is here this afternoon, and I have talked about this in the past. Much of her own constituency is very similar to mine.

There are ways in which we can deal with the problem of declining school enrolment in what we have termed a creative and innovative way, where we might use some of these half-empty schools for senior citizens' facilities, be they in the form of drop-in recreation centres or whatever. I think we can make some specific recommendations to the local board of education on that.

It is a good community. The people are responsible. They recognize the facts of life and that one cannot get anything without paying for it. I think they are pleased in large part to see that health premiums are maintained and that this government resisted the temptation to go the progressive income tax route to fund that extra \$1 billion in revenue. That was a responsible and courageous decision. I think they appreciate seeing as much as possible their tax dollars identified and visible so that they can see where they go. We have enough hidden taxes already.

As an aside, I was quite surprised to see that the Ontario Economic Council made a recommendation that premiums be abolished and that money be raised through the progressive income tax. I do not have their report in front of me, but one or two sentences stand out fairly clearly. I am paraphrasing it, but they said that politically it would be a lot less painful when the additional revenue was needed to raise it through an increase in personal income tax rates. It is less visible, and politically we would not be seen to be doing it, whereas if premiums are increased by 5.3 per cent, as was done, it is front and centre and it is visible to most people. It is good that the government did the courageous and responsible thing.

On balance, I think it was a good budget, a budget that was realistic and attempted to reduce the deficit once again in the current year. A balanced budget is a commitment that is very well received in my area. People constantly work at balancing their own budgets in their firms and in their own homes and they expect nothing less from the government. They expect the government to do it as soon as it is feasible without destroying any social programs that are already in place and to do it, as I think it will be done, by intelligent restraint while at the same time making certain that we can provide an hospitable environment for domestic and out-of-country capital.

The need to stimulate investment and create jobs is a real problem; it is no longer a theoretical concern. To the extent that this is done in the next decade, we will measure

the extent to which the social programs we all want will be fulfilled.

Mr. J. Reed: Mr. Speaker, it is a privilege to rise and speak to the budget which has been presented. It is a privilege because it gives this member an opportunity to talk for at least a short while on his area of criticism, perhaps mainly because the budget that was presented this year is the most devoid of any attention to energy of any I have ever had the misfortune to sit through. As a matter of fact, the most attention this government could give to energy in this budget was to forgive the sales tax on solar heating systems or on the other parts of solar heating systems which they had not already forgiven.

It is getting to be quite a joke, this game the government plays concerning its attention to energy. Did you know, Mr. Speaker, there is still a sales tax on stovepipes? The sales tax was taken off wood stoves, but there is still a sales tax on stovepipes.

Mr. Ashe: This is a really big issue.

Mr. J. Reed: I am just trying to point out the comprehensiveness of it all—or the incomprehensiveness of it all. Did you know, Mr. Speaker, there is still a sales tax on efficiency-raisers for fireplaces: thermogrates, hollow-tube grates and one thing and another?

I have been upset so many times about the government's approach to energy that it is hard to get my adrenalin going again—

Hon. Miss Stephenson: Watch your blood pressure.

Mr. J. Reed: Perhaps getting one's blood pressure up at the appropriate time has its effect; I hope it is not negative on me.

I just wonder what this government really is doing about energy. The truth is that if one asks the government if it has an energy policy—I hope the member who is in the House, and who may by some appointment in the future become the new Minister of Energy, is listening—as the government has been asked time and time again what its energy policy is, it never responds.

Mr. Kerrio: Those ministers are like kamikaze pilots.

Mr. J. Reed: All five of them now, since I have had the privilege of being energy critic. They come and go, and I suppose we will be through the whole caucus before the next provincial election.

I feel badly for the Ministers of Energy in many respects, because they really do not have a true ministry to work in; they are really operating a policy secretariat which is more of a monitoring agency than it is any-

thing else. One of the first thrusts of a Liberal government in Ontario would be to make the Ministry of Energy a full-fledged ministry and give it the kind of attention it deserves.

It is very easy for us, I suppose, to slough off energy—or it has been up until now—but we should realize that in California today gasoline is being rationed; that in Florida gasoline has been rationed now for the last two or three months; and that North America has become such a profound importer of petroleum—and I am including the United States as well as Canada—that we are very vulnerable to whatever happens in the Middle East.

I got some figures today that gave us a little breakdown of where our imported oil comes from. In 1978, we imported more than half a million barrels a day of oil from outside of our borders; 21.5 per cent of that came from Iran, and somewhat more than that came from Saudi Arabia. There was some concern expressed about the upheaval in Iran and the kind of impact it was having, particularly on the United States and to a lesser extent on Canada. Now picture, if you will, one more country that is an oil producer going into the state of upheaval that Iran has gone into. It should be cause for concern in a province that is the largest consumer of energy in Canada. It should be of concern to a government in a province that represents a people who are the largest consumers of energy per capita in all of the world.

[5:15]

It's an incredible indictment; such a profligate use of energy in Ontario. We are the largest consumers per capita in all the world; that's a statistical fact. We use much more per capita than the United States. It makes me wonder how we can continue to do so when we consider that more and more we are a global village, more and more in Ontario we will have to depend on being able to compete in the world market with our technological excellence, with being able to sell product and expertise to the highest level of our talents. We will be depending less and less on the export of raw resources; we have to.

We have to migrate in direction; that's obvious. Whether we purposefully start out on that path, or not, it will be inevitable. It's like the fellow selling the oil filter, "You pay me now or you pay me later." We do it in a less dramatic way if we do it gradually, but it becomes very dramatic if it has to happen to us all of a sudden.

Our consumption of energy is incredibly important in this scene. If we are the highest

consumers of energy in the world and if the energy is proportionately of greater cost, thus having a greater cost input into our production, surely that has to have a negative impact on our ability to compete in the world market; there is not only the business of being a higher consumer and having a higher energy input, but also the question of availability.

I know the argument that our nuclear industry is somehow going to save us. This is a misconception, and I say it in all seriousness. Most of us who stop and rationalize it for a while will appreciate that to transfer technologies quickly from, for instance, petroleum consumption to electrical consumption, would be a very costly and cumbersome process. It's true that some things can be transferred but many of the things that consume the kinds of energy that we import in such great quantities cannot be transferred quickly. Imagine, for instance, the magic that would be required to have a million automobiles in Ontario drive out of the garage tomorrow morning, electrified. That's the kind of transfer technology which just is not part of our ability to achieve quickly. So, to suggest that electric power can substitute or take over where petroleum leaves off, from a technological point of view is difficult. From a cost point of view it is even less desirable.

It's amazing to me that when we talk about the energy options available to us we have essentially put all our eggs in one basket and we have not given sufficient attention to energy options in the other directions, when the truth is the economics of the situation would dictate that there is a very profound place for many other energy options on an economic base.

I'm going to outline just a few of them for the consideration of the government. I do this every now and again at my own peril, because what happens is, the government poohpoohs the idea but about 18 months later they become the government's own creation. I'm going to go on record with a couple more areas of Liberal energy policy, and we'll see what happens to these in about 18 months.

Mr. Haggerty: Maybe you should have a quorum.

Mr. J. Reed: The only satisfaction I get from doing this is knowing that at least the people of Ontario will be served a little better because it's happened. I am not naive enough any more to pretend that I may somehow get some credit for having introduced the idea.

There is a potential there. Understanding that we import 80 per cent of the energy we use into the borders of our province, understanding that the bulk of that importation is

petroleum, and understanding that every dollar of investment that we can transfer from energy imported to energy created inside this province is a positive step—and most of us who understand a little bit of basic economics understand that when the wheel turns over inside our own borders it has a positive effect in overcoming this \$4.5 billion deficit in our balance of payments that our energy imports impose upon us—we have an obligation and a duty to develop those energies that can be indigenous to us.

Nuclear power is one. Nuclear power, with all of its concerns, provided the proper information is shared with the people of Ontario, can take its place in the energy mosaic in the future. The concern I have about nuclear power is that it's being sold as the only alternative. The concern I have is that the technology and its development and the weaknesses of the system have not been shared fully with the people of Ontario.

Mr. Haggerty: And the weakness of the minister too.

Mr. J. Reed: There seems to be some inherent fear on the part of the technologists that sharing the problem in the system is going to create some sort of panic. I think just the reverse has shown itself to be true. With the events that have occurred in the last few months, it would seem that what we must do is to reveal to, and share fully with the people all the information regarding this high-technology energy source and let them make their decision about Ontario's nuclear future in a reasoned and rational way.

If we don't do that, if we hold back, if we tend to hide information and if we don't make it public, then surely we will destroy the nuclear industry, just as surely as I'm standing here. We have that obligation. The people of Ontario deserve no less than to have a complete revelation.

If the technology is not suitable, if it hasn't been developed enough and if it has too many weaknesses to be considered to be an acceptable risk, then that hard decision will have to be made. Frankly, I have more faith in the technology than that. But the fact is that everything has to be put above board, if the industry is to have a future at all.

I'm concerned that it is being sold as the only thing; it's all the eggs in one basket. Let's look at some of the others just briefly. How much money, how much time and talent and how much thought has the provincial government given, for instance, to the production of alcohols in Ontario, other than the revenue it generates from the other end use? I am talking about fuel alcohol. There's a tremendous potential.

Mr. Ashe: At about six bucks.

Mr. J. Reed: I just wonder if this government has ever gone to the federal government and asked them to drop the \$300,000 bond necessary to be in possession of a still to make alcohol. We all get a good chuckle out of this, but the truth is that the production of ethanol has been, in the past, a part of agribusiness. If you look back into the 1930s in western Canada, you'll find the farmers were running their tractors on locally produced ethanol—grain alcohol. It has been calculated that the production of about 11 acres in an agribusiness operation of sugar beets would provide all of the energy that farm would need.

One might say it's going to take another investment to have the kind of little processing operation to make one's own, if a person was going to do it himself; but the truth is, as my neighbour who is a now retired farmer once told me, "It's not how much you make on the farm, it's how much of it you get to keep." I don't know why the government doesn't even recognize the potential for such a simple thing.

I've been to symposiums that have looked at the economics of wood alcohols—methanol is the other name for it. A study has been completed by this government on the cost and the potential for methanol production in northern Ontario—not denuding the forest, as some people would have us believe, but using the wastes that are sitting up there rotting at the present time. We get all kinds of these mediocre objections as to why the thing won't work.

I realize and I acknowledge that the oil companies have a vested interest. We are told quite quickly by the oil executives that alcohol is hard on internal combustion engines. The truth is that alcohol has a deteriorating effect on some vinyl lines and certain kinds of neoprene, I think, and that's the beginning and the end of that. Many of the automobile companies have engines designed and ready to go that will burn pure methanol. There's no big deal about it. Alcohol was the first fuel for internal combustion engines before there was such a thing as gasoline.

In Brazil, at the present time, there are 300,000 automobiles running on pure methanol, and because that country doesn't have a good supply of its own petroleum, there is up to a 20 per cent inclusion of alcohol into gasoline for those other automobiles whose technology is geared to gasoline burning. It improves the octane rating of the gasoline and makes the car burn more smoothly. In a northern climate, of course, it's gas-line anti-

freeze. You don't have to worry about your gas lines freezing up.

I don't know whether I should get into much more of it but the fact is we do have this option as a liquid fuel. The technology can be easily integrated into our present internal combustion technology. There is no problem with it whatsoever. We can begin to make it out of natural gas. As a matter of fact, I have already written to the federal Minister of Energy suggesting that northern gas, arctic gas, polar gas if you like, Mr. Speaker, might very well be converted to methanol onsite, rather than dealing with the prospect of having to transport LNG with all of its inherent dangers. A shipload of alcohol does not present a serious environmental threat. It simply disperses in the water and becomes part of the protein in the food chain. [5:30]

The longer view of this sort of thing is that it would give us the opportunity to gear up for renewably produced alcohol, to start with. The next thing is that it would give us, as a consuming province, a tremendous improvement in bargaining power when it comes to acquiring the petroleum we need. If we have an alternative technology on line and ready to go, and when it's only a matter of two or three or four years to put the thing in gear and make it a reality in Ontario, surely it's got to help keep the exporting oil countries honest, at least, when it comes to negotiating the price of petroleum.

It's only one option. I could go into it in a lot more detail. The government has chosen to ignore it and continues to ignore it.

Mr. Ashe: Not so.

Mr. J. Reed: How much money has the government spent on methanol production, other than on studies? Not one zip.

Mr. Ashe: We don't like to waste money as you do.

Mr. J. Reed: The federal government is the only group doing any work on this at the present time.

Mr. Ashe: We'll make sure it's practical.

Mr. Kerrio: The federal government has no partners.

Mr. J. Reed: Just a few minutes ago, the member for Armourdale was talking about the business of stimulating industry, small business and employment. It seems to me that if the government is really doing some serious thinking about the future one of the areas where it can stimulate that industry is in the energy industry itself. It doesn't take any great amount of brains to figure that out, I don't think.

Mr. Ashe: That's right. That's where we agree.

Mr. J. Reed: Just as long as the government does something about it.

One of the other areas is the redevelopment or the redeployment of small hydro power in Ontario. There are in existence at the present time about 4,000 dams in Ontario holding back water. There are very few of them contributing any work other than holding back the water for the purposes of maintaining levels for cottagers or some water control scheme here or there. Very few of them contain any kind of energy-producing device. Yet Ontario, which had the first commercial electric power in North America, which had abundant water power, whose economy was based on that renewable resource, and where the very real wealth of the province was created, has abandoned it.

At the present time, it's very easy for us, when we're thinking in thousands of megawatts and we have these grandiose ideas about millions of horsepower here and there, to say that 500 kilowatts or a megawatt or two megawatts are insignificant. The truth is that when we add them all up they're not insignificant at all. There are literally thousands of sites which could be developed and which could make a very real contribution, albeit on a small business basis, to the economy of Ontario.

It's been all too easy for the government to make an assessment about the economics of that sort of thing. I remember the first Minister of Energy I had the pleasure of meeting in the first estimates I was in. The first thing he did, when I talked to him about small hydraulic power, was to say: "It's just not feasible. It just costs too much money."

I said: "Why don't you turn it over to private enterprise and forget about the economics of it. It's not for you as a minister to say whether a private-enterprise operation is economic or not economic. Let the facts speak for themselves. Simply create the climate and get the situation together where these people can do it, if they so desire, where they can move without walking into incredible red tape in the various ministries. Give them a chance." I said that because I have some working experience with the situation myself, as most of the members here know.

I believe there are many areas of small hydraulic development. If the government is not interested in them and if Ontario Hydro is not interested in them, then fine. Let the government say it's not and let private enterprise do its thing and do something to facili-

tate it. Don't give it a handout. Nobody wants the money. Just let it happen, instead of holding it back.

Another area that is kind of interesting and which the government is not pursuing in any serious way is the subject of methane production for agriculture. I recall having a discussion about three years ago with a man, who shall at this point remain nameless, who really wanted to develop a practical, low-cost methane generator for Ontario agriculture.

There was a study done on the economics of it, and he was told it really wasn't feasible because methane would not be competitive until gasoline reached \$1 a gallon. Isn't it interesting? Here we are. We have already arrived at that point, and there are no low-cost methane plants available or designs available for farmers to build them.

As a matter of fact, the one that has been developed that shows the most promise, not surprisingly, is American. That seems to be the way it goes. We become supercautious somehow and we miss the boat. Some of our neighbours who are a little harder pressed energy-wise in the south and so on get on the bandwagon. Now they have the technology, and you can bet your bottom dollar, Mr. Speaker, we will be buying it within a very few years.

The need for research and development tends to be pooh-poohed from time to time, but the need for it in energy and in decentralized energy is acute at the present time in Ontario. I think the members across the House will agree with me when they look at the world scene and see what is happening and when they look at Ontario's vulnerability in this mosaic.

When they understand that we can't put all our eggs into the nuclear basket, where we have to look at the energy options on the broadest possible base, then the only way we can go in less than a generation is through comprehensive research and development, through demonstration and through the kinds of things that may seem very foreign to this government, but are things people can see and do for themselves.

I know that takes us down another path. That takes us away from the large centralized, beat-big-drum utility where we can say, "Look at this modern miracle of technology." I am indeed talking about simpler technologies. I am talking probably in the long term about lower-cost technology and I am talking very much about the kinds of technology that will contribute a great deal more to our economy in Ontario than nuclear power can ever contribute.

I say that with all sincerity because I think all the members of this House know and understand that the construction of centralized utilities is very capital-intensive and the number of jobs it actually sustains per dollar invested is about the lowest of all investments that we make in Ontario, whereas the decentralized energy thrust is far more labour-intensive and far more diffuse, diverse and more stabilizing actually to the province. If we can, if we still have time to develop a decentralized energy alternative in Ontario, it will strengthen our energy security and I think we are perhaps very slowly beginning to realize that.

The other area of the budget I was disappointed in was in connection with energy conservation. I couldn't find in that speech any addressing of the need to conserve energy. I should point out to the members one of the lowest-cost ways to pick up energy capacity in Ontario is to conserve it. It's the cheapest barrel of oil: it's the cheapest kilowatt of electricity. We know we can insulate a kilowatt of electricity for half the price of building a kilowatt of generating capacity and it doesn't matter in the overall which way we do it in terms of picking up that capacity.

It has been estimated that in insulation alone there is a potential saving of about 5,000 megawatts. This amount of power represents all of Bruce A and all of Pickering A, which represent the total operating nuclear investment we have at the present time. Why are we afraid to do that? Why is the government ignoring that obvious option? Why is it shying away from that? Why are we simply paying lip service to conservation and not getting down to the nitty-gritty of really being serious about it.

I say that in terms of other aspects of energy we can control in Ontario. What about utility efficiency? At the present time, on a mean average consumption basis, we only use slightly over 50 per cent of the capacity that's available. This is because we buy our power in peaks and hollows during the day and we have annual peaks and so on. There admittedly has been of late some interest in these peaks and hollows, but I have seen nothing in my three years that would indicate there's any serious effort to change that picture and fill in those gaps and make the utility more efficient.

There are ways of doing it. We can offer price-type incentives or costing incentives to consumers in such a way as they would tend to buy more base-line power. That was brought out in the select committee. There is the whole concept of a broad price struc-

ture change which would incorporate certain incentives to raise the efficiency of this system and in the end lower the cost of electric power. If there is a manufacturing centre that can run 24 hours a day, one can get more out of his investment dollar than if it runs eight hours a day or 12 hours a day. But this in truth is what we are doing with our utility.

We have all this machinery in gear and all this personnel in this great utility all across the province but we are not making the most use out of it we can. The utility itself has really done little to look at some of its efficiency-raising options such as load management. But I will say, to the credit of the municipal utilities, they have been taking up the idea and they are beginning to get on the ball. I see with great satisfaction the city of Guelph has a computerized load management system that in a few months of operation last year saved the city \$85,000 I believe.

[5:45]

When we first brought up the subject of load management with this government—and I think that was about four ministers ago—the idea was just pooh-poohed and thrown into a corner, and any thought of changing or taking a fresh look at this thing and what we could do to improve the situation was simply ignored.

I am always amused that the government simply goes on the defensive in almost every case. I have not, from a number of ministers, ever seen a response such as: "We think that's a good idea, and we're going to do something about it." Yet not all the ideas coming from this side, as the members will know, have been bad ideas. As I said earlier, some of them have been adopted by the government—with no acknowledgement to the critic, of course.

If I have time, I would like to spend a few minutes discussing one other area of decentralized energy that is becoming a new reality in Ontario; that, of course, is the consumption of wood and the production of wood-burning apparatus of one sort or another.

A number of industries that are manufacturing wood-burning equipment have sprung up in the last five years.

Mr. Kerrio: The President is putting one in the White House.

Mr. J. Reed: Yes, even President Carter has become a customer. I do not know where he is going to get the wood though.

Mr. Ashe: He's going to chop down the cherry trees.

Mr. J. Reed: The fact is that, while four or five years ago that would have been looked upon by the government as being an insignificant sort of thing that we should not be paying any attention to, today it represents the lifeblood of a number of small communities around Ontario.

I have visited some of the factories that are producing wood stoves in quantity. Mr. Speaker, do you know that 750,000 high-efficiency wood-burners were sold in the United States last year? That is a tremendous change from the situation 10 years ago.

But let us look at the government's response to this sort of thing. With the agriculture critic, I sat in on a meeting with a company that produces steam boilers which are wood-burning and hand-fired, discussing its problems with the Ministry of the Environment and so on in getting this kind of wood-burning unit approved. I hope we made some progress through that meeting, but I detected a feeling there that hand-fired wood boilers simply would not meet the air quality standards imposed by the Ministry of the Environment, because for a couple of minutes they produce second- or third-grade smoke or something like that.

Mr. Ashe: The member's leader was the first one to point it out.

Mr. J. Reed: If my friend wants to get on to that kind of subject in terms of the environment and talk about the quality of wood smoke as opposed to number two smoke from coal or oil, I will debate that any time. Wood smoke is one of the least offensive and most innocuous kinds of discharges that we could possibly have, and most of the by-products of that combustion are taken back up in nature by the trees and recycled.

This is one of the anomalies in the Ministry of the Environment. They will put standards on where they will not accept wood smoke, of all things, but some other kind of smoke that is of a lower grade can continue for 24 hours a day and nobody pays much attention to it.

I can outline some more problems. There is a device called an add-on wood-burning unit that is designed to go on beside an oil burner, a gas burner and so on.

Add-on wood-burning units have had a reputation which has not been the very best for a lot of reasons, but the manufacturers have set about to create standards for themselves and to manufacture add-on wood-burning units which would meet every safety standard one could impose upon them. Yet both the Ministry of Energy and the Ministry of Consumer and Commercial Relations con-

tinue to suppress the development of a truly safe standardized—in terms of safety—add-on wood-burning unit. They simply take a negative point of view.

I pointed this out to the Minister of Energy (Mr. Auld) and to the Minister of Consumer and Commercial Relations (Mr. Drea). The staff simply tends to stick in a negative mould and not recognize the new reality and move with it and try to bring these standards along.

I even recommended to the Ministry of Energy two years ago that they publish a book on wood combustion, understanding that wood firing had really skipped a whole generation, or a generation and a half, and that it would be in the interest of the people of Ontario if they had a comprehensive, informative book that would point out the dangers, that would point out the safety moves that can be made, that would point out all of the positive aspects of burning wood as well.

So far that has not come into existence. We do not have a complete book on wood burning in Ontario. Yet wood is one of the renewable resources which is coming back into its own very quickly. It is going to take its place at a certain level and will so long as energy continues to rise in cost.

I was quite interested in the Treasurer's announcement of a new investment corporation that would attract investment for small business. It sounded very encouraging at first. I was quite encouraged because, as you know, Mr. Speaker, our party has always been very supportive of small business. We thought possibly this had potential to improve it.

But if one looks at what is offered, what one finds out is that there are so many requirements on this thing that really all it does is provide a way to get a 30 per cent write-off on a safe venture. We really do not think it is going to end up doing very much. It reminds me of the Venture Investment Corporation of a few years ago that was offered hopefully as an incentive for small business and there wasn't one taker at that time.

Is that what it was called, the Venture Investment Corporation?

Hon. Mr. Brunelle: Yes. The federal government did not co-operate.

Mr. J. Reed: There was not one application. Nobody wanted it. It was a total flop in this province.

When we talk about jobs and investment and when we talk about small business it seems to me that kind of thrust dovetails

with energy and decentralized energy very well—where one has an energy technology that is available at a local level, that can employ people, does not have to be centralized in one area, that can provide the energy security that is needed in Ontario, and help, we hope, to discharge this \$4.5 billion annual deficit we are paying out of the province for the energy needs at the present time.

Mr. Speaker, I am grateful for this opportunity to present some of these thoughts on energy. I trust that the government, while ignoring them now and probably belittling some of them, will take them on in the next 18 months.

On motion by Mr. Williams, the debate was adjourned.

The House adjourned at 5:56 p.m.

APPENDIX

(See page 1677)

ANSWERS TO QUESTIONS ON
NOTICE PAPER

GOVERNMENT TRAVEL

166. **Mr. Van Horne:** Will the minister please indicate which cabinet ministers and parliamentary assistants travelled outside of Ontario on government business in 1978-79? Please indicate the name of the province or other country visited, the length of the visit, the purpose of the visit, the number of civil servants (if any) accompanying the cabinet minister or parliamentary assistant, the accommodation cost and travel cost for the cabinet minister or parliamentary assistant, and the accommodation cost and travel cost for the civil servants (if any) who accompanied the cabinet minister or parliamentary assistant. [Tabled April 26, 1979.]

Hon. Mr. McCague: The above question cannot be answered within the normal 14 days but an answer will be tabled in about eight to 10 weeks.

NURSING AGENCIES

30. **Mr. Breaugh:** Would the minister indicate how many private nursing agencies are in operation in Ontario? [Tabled March 7, 1979.]

Hon. Mr. Elgie: Although the Ministry of Labour is responsible for employment agencies through the employment standards branch there is no specific register of private nursing agencies in operation in Ontario. It would be possible for any employment agency to supply nurses to a client. The ministry does not maintain a specific list of occupational categories handled by each employment agency in the province.

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No. 41

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Tuesday, May 8, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, MAY 8, 1979

The House met at 2 p.m.

Prayers.

MILK PRICES

Hon. W. Newman: On a point of privilege, Mr. Speaker: My reply yesterday to a question concerning the farm products appeal tribunal hearing appeals on prices set by marketing boards was not completely correct.

Mr. Sweeney: And now you are going to prove it.

Mr. Cassidy: Another redefinition of the record.

Hon. W. Newman: Its authority in this respect only applies to prices paid to producers or the local boards for regulated products. The tribunal has no authority to hear appeals on fluid milk prices at the wholesale or retail level. I apologize for that error and I want to put the correction on the record.

VISITOR

Mr. Speaker: We have a very distinguished guest in the Speaker's gallery today, and I hope his presence will have a very salutary effect on all members, in the person of His Excellency Petter Graver, the Norwegian ambassador to Canada. Would members please welcome him?

Mr. Nixon: They don't fool around in the Norwegian parliament.

[Later (2:40):]

STATEMENT BY THE MINISTRY

Mr. Speaker: The Minister of Correctional Services would like to make a statement on something he considers to be of urgent public importance. Do we have unanimous consent to revert to ministerial statements?

Agreed.

GUELPH CORRECTIONAL CENTRE

Hon. Mr. Walker: Mr. Speaker, I beg the indulgence of the members of the House in that I have a statement to give but I have not sent the statement to the leaders of the opposition parties. I prepared it only in the last few moments, having returned from Guelph a few moments ago.

I wish to serve notice that the Ministry of Correctional Services will not tolerate the kind of behaviour by inmates which led to destruction, estimated at approximately \$37,000, at Guelph Correctional Centre last night. Disciplinary action will be taken against those inmates found responsible for the damage and, where warranted, criminal charges will be laid. One way or another, the inmates involved will pay for the damage done.

The destruction at Guelph Correctional Centre began at approximately 10.30 p.m. and eventually involved two dormitories, each accommodating approximately 60 inmates, a cellblock with approximately 62 beds and a few inmates from another unit. In total, approximately 180 inmates became involved before the disturbance was brought to an end at 1:57 a.m.

During the incident, inmates destroyed plumbing and furniture, including beds, property, canteen boxes, tables, windows, et cetera. Fire hoses were used by the inmates to drench all the areas involved. Chairs, furniture and mattresses were used as barricades and small fires were started in the various areas. Some time during the confusion seven inmates escaped from a dormitory corridor and absconded from the property.

The correctional officers and managerial staff at Guelph Correctional Centre responded magnificently to this potentially very dangerous situation. As I have indicated, there were 180 inmates involved in four different areas, each one of them with the potential to get out of control or to lead to a physical confrontation in which both staff and inmates could have been seriously injured. It is a credit to the staff that within approximately one hour, one of these units was completely under control; within the next hour and three quarters another area was secured, and approximately 35 minutes later the disturbance was effectively ended. There were no injuries to staff and no injuries to inmates, although one or two inmates received some minor cuts from breaking glass.

I would also like to pay tribute to the Guelph fire department, the Guelph police department and the Ontario Provincial Police,

who responded quickly and remained on standby throughout this situation. The institution and the ministry are indebted to them for their outstanding co-operation. I should make it clear that the correctional staff were responsible for quelling the disturbance and the police, including the Guelph police tactical squad, were there to provide any additional assistance should it have been required.

As I stated at the outset, the inmates who took an active part in this disturbance will be penalized to the severest extent open to this ministry. The inmates involved will be interviewed by the superintendent of Guelph Correctional Centre to determine their exact involvement in the incident. Any inmates who are found to have had direct involvement in the disturbance will be dealt with fairly, but they will be made to understand that their behaviour will not be tolerated in the provincial correctional system.

I have authorized and directed the superintendent of Guelph Correctional Centre to order the forfeiture of the earned remission which is standing to the credit of any inmate who was involved. The loss of remission will be proportional to the inmate's degree of involvement in the disturbance. Furthermore, I have instructed the superintendent that the inmates must pay for the damage they have created.

Therefore, any inmates involved will forfeit any weekly incentive allowance which they have had standing to their credit. In addition, those inmates who may have been ringleaders in the incident will be placed in segregation with a complete loss of privileges. Some of the privileges that will be involved include restricted visiting rights, the loss of television privileges, the loss of mattresses in the cells and the loss of library and smoking privileges. Finally, the inmates who destroyed the institutional property will be ordered to clean and repair the damage there is as soon as possible.

It is my opinion that this action indicates that the Ministry of Correctional Services will deal swiftly and severely with unacceptable inmate behaviour which may arise in any situation similar to the incident at Guelph.

Mr. Lawlor: Why don't you work at the cause?

Hon. Mr. Walker: It is my intention that the penalties that have been authorized will require inmates to accept responsibility for their inappropriate behaviour by participating in the cleanup and by making restitution to the ministry. I toured Guelph Correctional

Centre this morning to see the damage and to apprise myself of the general situation. When I left an hour ago, the situation had been well in hand.

Mr. Speaker: That time will be added to the question period.

[Reverting (2:03):]

ORAL QUESTIONS

Mr. S. Smith: Mr. Speaker, is it possible through your good offices to have something more than a third or a quarter of the ministry show up for a question period? It isn't even a Friday morning and there are eight ministers present in the House. Is there something you can do about this, Mr. Speaker?

Hon. Mr. Davis: Mr. Speaker, I understand the Leader of the Opposition, and I regret what happened Friday. I would point out to him, however, that ministers of the crown do have certain responsibilities.

An hon. member: In the House.

Interjections.

Hon. Mr. Davis: I notice the member for Rainy River (Mr. T. P. Reid) is absent. Normally he is not, but as he is in this instance I wonder if this could be relayed to him. This government has been invited to send a number of ministers to a meeting of the northwest chamber in Atikokan on Friday. Perhaps the Leader of the Opposition might consult with his colleague and inform us if he wishes the ministers not to attend so they can be here. I think there are seven who are planning to attend that northwest chamber meeting.

Further, four ministers of the crown have been invited to attend, and are probably attending, the Ontario Chamber of Commerce annual meeting in Ottawa.

The Minister of Correctional Services (Mr. Walker), if my memory is correct, will be here, but he is in Guelph at this moment. The whip of the Liberal Party, who is normally here, may be concerned about this issue, and if he feels a minister of the crown should not be involved or interested in that situation then that is a fair assessment to make. But ministers here are discharging very onerous responsibilities, and there are very few questions that cannot be—

Interjections.

Hon. Mr. Davis: Do members want the Minister of Correctional Services to try to resolve the problems at Guelph or not? The answer is yes, of course they do. It is fine for the Leader of the Opposition to have his fun on occasion, but I just want to make it very clear that ministers of the crown do

have other responsibilities as well as their responsibilities in the House. I think it's necessary for us to remind ourselves of that on occasion.

Mr. Speaker: Does the Leader of the Opposition have any questions to put to the ministers who are present?

Mr. Riddell: Les Frost would never have permitted it.

Hon. Mr. Davis: I would like to say to the honourable member who raised a great fuss on Friday and wasn't here on Monday, I could tell him I was here when Mr. Frost was here and there was an understanding in the opposition, and an intelligent Leader of the Opposition who understood that ministers of the crown do have responsibilities which they are sometimes asked to perform by members opposite or in their ridings.

Mr. Riddell: On a point of order, Mr. Speaker: I just want to correct the record. I very definitely was here on Monday. I may have appeared 15 minutes late, but I was here.

Hon. Mr. Davis: So did a lot of ministers get here 15 minutes late.

Mr. S. Smith: I would like to speak to that point of order, Mr. Speaker. It's all very well for the Premier to lecture us about the fact that ministers of the crown have other responsibilities, we're very well aware of that. Many times every one of us has other public responsibilities and we're all absent from time to time, but many times I have faced the ministry here with half the ministers present and have made no comment; even with less than that, with only a third of the ministers present I have made no comment; but when we get two or three days running with less than a third of the ministry here the question then arises as to the purpose of having question period at all.

Hon. Mr. Davis: That is not true.

Mr. Speaker: Order. Bantering back and forth like this is counter-productive. If the Leader of the Opposition has any questions to put to the ministers who are here I will recognize him; otherwise I will go to another member.

NUCLEAR PLANT SAFETY

Mr. S. Smith: I will ask the Premier, in the absence of the Minister of Energy (Mr. Auld) and in the absence of the Provincial Secretary for Resources Development (Mr. Brunelle) if he is aware of some objections which have been raised in the area of Renfrew county and in the Ottawa region concerning the Rolphton nuclear station. Is he

aware that questions have been raised concerning the ability of the emergency core cooling system of that particular reactor to handle a loss-of-coolant accident? Is he aware that a protest has been launched with the Atomic Energy Control Board regarding the fact that Hydro continues to operate that particular station in a manner that is thought by some to be unsafe?

If he is aware of this, will he tell us what the government's action will be in this regard? If he is not aware of it, will he kindly ask the Minister of Energy to reply as soon as he returns?

Hon. Mr. Davis: Because I think in fairness the Leader of the Opposition would want to acknowledge that unlike himself we do suffer from human frailty on this side of the House, I would point out that the Provincial Secretary for Resources Development is unwell, that is why he is not here. Ministers of the crown sometimes do suffer those human infirmities that strike all of us on occasion.

With respect to the particular question, I would say to the Leader of the Opposition I think there is actually some longer history to this. In fact the member for Renfrew North (Mr. Conway) who is not normally absent but isn't behind his leader today—

Mr. Roy: He'll be here in five minutes.

Hon. Mr. Davis: I'm sure he will. I'm just pointing it out; that's all. We all must retain our sense of humour.

Mr. S. Smith: The member for Renfrew South (Mr. Yakabuski) is not here behind the Premier either.

Hon. Mr. Davis: I would say that I am not aware of the complexities of it. I am aware that a concern has been raised. Information is being obtained and will be made available to the Leader of the Opposition and others. I would think on Thursday afternoon. I can't commit myself totally to Thursday afternoon in case it takes some time longer, but it is in preparation and will be here as soon as possible.

Mr. S. Smith: Supplementary: Is the Premier aware that because of problems with the emergency core cooling systems Douglas Point is operating at only 70 per cent and Bruce is operating at only 88 per cent; and it is felt that the Rolphton reactor may not be able to operate at all because of the problems of the emergency core cooling system? Can the Premier explain why, since the system appears to be the same at Pickering as at Bruce, Pickering has been permitted to continue operations at 100 per cent?

Hon. Mr. Davis: Mr. Speaker, I think the Leader of the Opposition probably knows

the answer to the question he has asked. It has been public information that Douglas has been operating at that percentage, Bruce at roughly 80 per cent of capacity and Pickering has been approved by AECB to operate sometimes at very close to 100 per cent. I'm not sure it operates at 100 per cent at all times. This has been done with the approval of AECB. I'm sure the Leader of the Opposition is aware of it, as are his colleagues who were on the Hydro select committee.

Mr. S. Smith: Why?

Hon. Mr. Davis: In reply to the supplementary question, which I assume it is, because AECB says it's quite proper and fit for Ontario Hydro to operate Pickering at 100 per cent capacity, and it's working and working properly.

Mr. Cassidy: Supplementary: In view of the fact the information which has been prepared by the Atomic Energy Control Board's directorate of licensing indicates that the NPD reactor at Rolphton in Renfrew county is not capable through its emergency core cooling system of preventing fuel failure, as was put forward in the original licensing permission by AECB; and in view of the fact that reactor is now shut down for certain overhauls, will the government intervene in order to maintain that reactor shutdown until there can be a full inquiry into the matters of safety raised in respect to that particular reactor?

Hon. Mr. Davis: Mr. Speaker, I understand the normal procedure, when the Rolphton reactor is closed down as it is presently for renovation or whatever, would be that before it is given permission to start again it has to have the approval of AECB; I understand this is the normal procedure. I can assure the leader of the New Democratic Party that the procedures will not be altered. There's no way Hydro will start without the approval of AECB, on the assumption this is the procedure and that all safety policies or any safeguards will be maintained. I can give him that assurance.

Mr. J. Reed: Supplementary, Mr. Speaker: Will the Premier direct the Minister of Energy to present to the House documents that show the differences between the Pickering plant and the Rolphton plant that might establish the reasons why Pickering is operating at close to 100 per cent and Rolphton can't?

Hon. Mr. Davis: I would think the chairman of the select committee—

Mr. J. Reed: The select committee doesn't have that information.

Hon. Mr. Davis: I'm trying to be as helpful as I can. I am sure that after seeing the documentation the member for Halton-Burlington will be more than satisfied and perhaps take some pride in the fact that Pickering has turned out to be one of the most efficient plants anywhere in the world. There is no question about it.

In terms of the documentation showing the differential in terms of what they are permitted to use in terms of capacity, I genuinely think this documentation can and would be presented to the select committee on Hydro, members of that committee would have a chance to take a look at it; I have no objection to that.

Mr. Cassidy: Supplementary, Mr. Speaker: Since the present shutdown of Rolphton is for reasons which are unrelated to the matters raised right now, that is the safety of the emergency core cooling system, and since AECB in deciding that the plant can reopen or not in a month's time will not be looking at the question of the safety of the emergency core cooling system, will the Premier and the government intervene in order to support the demands of citizens in the Renfrew county area that the plant remain shut down until there can be a full public inquiry into all these matters of safety; or is it the policy of the government that the legitimate concerns of the public will be ignored when it comes to matters of nuclear power?

Hon. Mr. Davis: The leader of the New Democratic Party can use all the rhetoric in the world he wants, I would restate what I said here a few days ago. No one is more concerned about the safety of our systems, whether it's nuclear power or anything else, than the government of this province. The member can phrase his questions as subtly and as sarcastically or in any way he wants, but he will not succeed in getting this government to say we are not concerned about the safety of the citizens of this province.

[2:15]

Ms. Gigantes: Go and tell it to Emily Post.

Mr. Lupusella: Why don't you do something about it?

Hon. Mr. Davis: I said on that occasion, and I repeat it during this discussion, that I think it is incumbent upon all of us to be logical, intelligent and to look at these things objectively. I think that's the responsibility of government and members of this House.

Mr. Cassidy: That's what the citizens are asking for.

Hon. Mr. Davis: I'm not so sure the leader of the New Democratic Party foresees that as his responsibility.

[Later (2:55):]

Ms. Gigantes: Mr. Speaker, I would like your advice. I think we missed a question because I misunderstood procedure. I just draw that to your attention.

Mr. J. Reed: I had asked a supplementary.

Ms. Gigantes: I would like to ask a question of the Premier. Has the Premier read the documentation of danger at the NPD reactor contained in the leaked papers on the reactor and accelerator of the licensing division of AECB? Has he informed himself of new information that has been leaked to the Ottawa Citizen from staff at the NPD site which outlines hazardous procedures which have been carried out at the NPD reactor?

Has he finished yawning?

Hon. Mr. Davis: Mr. Speaker, on a point of order: I never yawn.

Ms. Gigantes: Is he aware that the Renfrew county emergency committee, which is responsible for carrying out contingency plans in the event of an emergency, is totally unprepared for an emergency involving the safety of the public, having met only twice since 1973?

If he is aware of all these things, or if he has not been bothered to make himself aware of this responsibility that he should feel, how can this House feel assured that his government is showing adequate concern for public safety?

Mr. T. P. Reid: The honeymoon must be over.

An hon. member: Whose honeymoon?

Hon. Mr. Davis: Mr. Speaker, I do not want the honourable member to think I am not taking her question seriously, because I am. But I have to say to her that some of her colleagues in the front row were smiling, which made me smile—

Ms. Gigantes: They smile or they cry.

Hon. Mr. Davis: —some members opposite were saying to me the honeymoon was over, and I wanted her to know that I did not share that point of view.

Interjections.

Hon. Mr. Davis: They said it; I didn't.

Mr. Speaker: Does the Premier have an answer to the question?

Hon. Mr. Davis: Mr. Speaker, I do not have a complete answer to that question. If the honourable member feels there is some information that should be brought to

my attention, if she would do so, I would suggest that is a question that might best be put on the Order Paper. But now that we have notice of it, I will get her a full and comprehensive answer—or the Minister of Energy (Mr. Auld) will—for Thursday next.

Ms. Gigantes: Supplementary, Mr. Speaker: Can the Premier tell us where he feels any personal responsibility, as the head of the Ontario government, for public safety in questions of this nature?

Hon. Mr. Davis: Mr. Speaker, as head of government, I feel I have responsibility for many things.

Mr. T. P. Reid: You certainly do. You don't take it; but you have it.

Hon. Mr. Davis: I certainly do. I have some thrust upon me that does not legitimately belong to me. I confess that.

Mr. Ruston: Yes. Like Joe Clark.

Mr. T. P. Reid: Or the Argonauts.

Hon. Mr. Davis: That latter one hurt.

Mr. Speaker, I would only say to the honourable member who mentioned my national leader that I am out supporting Joe Clark, unlike the members of the Liberal Party of Ontario, who are hiding from Pierre Elliott Trudeau. Where have they been?

I expect to see all of them on that stage at Maple Leaf Gardens tomorrow night. I expect to see the Leader of the Opposition holding up—

Mr. Speaker: Order.

Mr. S. Smith: The Premier can be sure I won't compare him to the Argonauts. He can be certain of that.

Mr. Martel: On a point of order, Mr. Speaker: When you cut the Premier off, he still had not even started to respond to the question raised by the member for—

Interjections.

Mr. Speaker: It had nothing to do with political leaders or football teams.

Mr. Martel: That's three times you have bailed him out today.

[Reverting (2:18):]

TRUCK DRIVING LICENCE

Mr. S. Smith: Mr. Speaker, I'd like to direct a question to the Minister of Transportation and Communications. Is the minister aware of an application by one Marla Ellery, a woman who is a truck driver, to renew her truck driving licence? Is he aware of the fact that she has been turned down on the basis that she is a diabetic? Is that, in the minister's view, a sufficient reason to turn down

an applicant for a truck driving licence, especially in view of the fact this particular applicant received 98 per cent, I believe, when she took the rigid and demanding examinations to prove her ability to meet the requirements of being a truck driver, and in fact had acted as a driver for some time before her diabetes became a known factor?

Hon. Mr. Snow: I am not aware of that particular application. It hasn't been brought to my attention, but I can understand the circumstances.

I don't have the regulations and legislation in front of me at this time to recite the particular paragraph, but on the advice of the Canadian Medical Association, and the Ontario Medical Association, diabetes is considered to be sufficient reason to not grant the higher class of licence required to drive a large truck or a bus.

I am somewhat concerned about this particular clause, because in the legislation when the classified drivers' licences were brought into force, anyone who was driving a truck prior to the particular date—I can't recall it exactly at this time, about two years ago—who had controlled diabetes and a doctor's certificate to that effect, was, one could say grandfathered into having a licence granted because they had proven they had controlled diabetes.

Because of my concern for a case such as the member has mentioned, and other cases that have been brought to my attention—the honourable House leader had a similar one from his particular area about a year ago—I asked the Canadian Medical Association to review their recommendations on this particular matter. A meeting was set up with two specialists in this particular field—I don't recall the doctors' names; one was from London and the other was from Kingston or Belleville or somewhere in eastern Ontario, and they were recommended to me by the Canadian Medical Association as experts on this particular disease. I met with them in my board room. We had a long discussion, together with my senior staff, and we expressed our concerns at depriving someone of such a licence because of this. At that time, one doctor would not budge, shall we say; he still felt very strongly opposed. The other doctor said that under certain circumstances or certain medical evidence he could consider recommending a person with diabetes for a class D licence, that is for the normal straight truck as we call it, but he would not recommend that we should consider changing the regulations for anything higher than that. Based on these two opinions,

and discussing it with my senior staff and the medical review committee of the ministry, it was decided we would not change the regulations at all.

Mr. S. Smith: I'm accepting that the minister appears to have been seeking medical opinion on the matter—and I'm certainly pleased about that. Would the minister not agree, however, that for most people with diabetes the illness can be kept under control and, provided that is attested to, the public safety would appear not to be in real danger? It's hard for us to imagine that Bobby Clarke, for instance, would be refused the possibility of driving a truck.

Mr. T. P. Reid: He plays like one.

Mr. S. Smith: In fact, this is a very serious matter. One can only wonder whether the minister is just going to leave the matter there or seek a wider range of medical opinion—perhaps by introducing a bill and sending it to committee, or perhaps by calling in a much broader number of experts. Surely the minister would agree with me the present situation is most unfair to persons who have proved their ability and whose illness is under complete control?

Hon. Mr. Snow: The points made by the Leader of the Opposition are the exact points I made to my senior officials in the ministry. It's like a driver with one eye. A neighbour has been driving a truck since he was 16 years old, and he has one eye. If I could see as much with my two as he can with his one, I'd be pretty good, I think.

Mr. T. P. Reid: He's got a whole brain.

Hon. Mr. Davis: How would you be able to distinguish that?

Hon. Mr. Snow: I've had similar circumstances brought to my attention in which a person suffered a heart attack to some degree and was deprived of his licence for that reason. In this case there has been substantial medical opinion from the family doctor that this individual is fully recovered.

I did consult the Canadian Medical Association. I thought that in consulting the association, with all its expertise, I was really getting about as broad a consultation as possible. If the honourable leader has some other body that he would suggest, I'd be pleased to look at it. The last thing I want to do is take someone's licence away.

I really don't think, with all due respect, that a committee of the Legislature would be as well qualified—and I realize we have medical members of the Legislature and doctors here too—to discuss this matter and to give the type of opinion the professionals I have consulted have given.

It's a problem that is of concern to me. I really don't have an answer at this moment.

Mr. Breithaupt: Supplementary: Would the minister undertake to the House to review these various regulations with respect to health concerns on the issuance of licences to ensure the regulations are fair, can be equitably applied and will allow persons who have particular health problems, although they are under control, to carry on operating vehicles if the public interest would allow that?

Hon. Mr. Snow: Certainly. We are reviewing this type of regulation all the time. We review the regulation as it relates to each individual case of this type that is brought to my attention.

As I recall, in my discussions with these two specialists, who were referred to me by the Canadian Medical Association, they made a strong argument about someone suffering from diabetes, driving a large tractor-trailer on long hauls, and perhaps not eating regularly, as truck drivers sometimes do. I'm not an expert. I myself don't know anything about diabetes; but I understand that if you don't eat regular and proper meals a sudden attack might come on that might disable a driver from maintaining control of the vehicle. I'm sure this would be of major concern to all of us, if it were to happen.

I get letters from people who have lost their school bus driving licences because they have had a heart attack and they are pleading to get their licences back. I am sure the member would agree that is something I just cannot consider, because we wouldn't want that type of unfortunate situation to develop.

INDUSTRIAL ARTS PROGRAMS

Mr. Cassidy: I have just returned from Chapleau in northern Ontario, an isolated community which feels 5,000 miles away from Queen's Park rather than just 500, and which is in fact 200 kilometres from Timmins and 120 kilometres from Wawa and Michipicoten—

Mr. Speaker: Could we have a question rather than a lesson in geography?

Mr. Cassidy: My question is directed to the Minister of Education. Is the minister aware that the high school in Chapleau, which was intended to offer a wide variety of industrial arts programs when it was built in 1966, has stopped offering any program in industrial arts for its 340 students effective in September of last year and has no plans to offer any program in industrial arts next September?

Can the minister explain why this high school, which is serving an isolated northern working-class community, should be offering purely academic programs, and how does she think students in Chapleau can qualify to enter skilled trades when none of the necessary groundwork is available at the secondary school level?

Hon. Miss Stephenson: The decision regarding the programs offered within any school is the responsibility of the local board, and the local board, obviously for reasons which it has decided are valid, has made that decision. It would seem more appropriate, in the light of the requirements for skilled trades, particularly in northern Ontario, that those schools with the capability of providing for basic education in the technical skills should do so.

I shall be pleased to talk to the members of the local board to do whatever I can to see if there is some way, in the light of the modifications which we have made to the grant regulations this year, to assist the school at Chapleau to consider seriously the provision of such courses.

Mr. Cassidy: A supplementary: Can the minister explain how she expects a small isolated school board, which is already providing bilingual programs because of the French-speaking population of that area, also to offer an industrial arts program when she admitted on Friday that she does not have the money to offer or will not offer the money to these isolated northern boards?

Hon. Miss Stephenson: That's not what I said.

Mr. Cassidy: The minister stated on Friday that we don't have any more money at this point to make additional grants. Is the minister prepared to make a commitment to basic high school programs in all the communities up in the north that will include industrial arts as well as the basic academic programs?

Hon. Miss Stephenson: There are times when I must admit I admire the capacity of the honourable leader of the third party to distort and to take out of context the statements I have made. That remark was specifically directed in response to a question regarding the additional grant requested by the Toronto school board and to nothing else.

I had also made the statement in response to a question on Friday or on Thursday, I am not sure which day, that we had added to the general legislative grants this year specifically in support of industrial training programs within the secondary schools. There was an increase in the weighting factor in order to assist the schools to upgrade the

tools and the equipment which they required for those programs.

There is also a small-school-board special weighting factor this year for schools such as the schools in the area of Chapleau, which provides extra funding for those schools where the enrolment is below a certain level and the decline in enrolment has been at a percentage level above the provincial average. I shall be happy to look at all of those factors which are available to us under this year's GLCs to see if there is something that we can do, but I did not make that statement about schools like Chapleau.

[2:30]

Mr. Laughren: Knowing the Chapleau area very well, I'll ask the minister if she's aware that since September 1978, 69 students have dropped out of the Chapleau high school, a number which represents about 20 per cent of the student population. Is she not aware that when that happens, when they have not been trained in any of the industrial arts programs, we're really creating in that community a reservoir of unskilled labour that will go to work in the bush or in the sawmills? Does the minister really think that through her Ministry of Education she is providing opportunities for students in the Chapleau area equal to those that students have in major metropolitan areas such as Toronto?

Hon. Miss Stephenson: I am aware it is the intention of the general legislative grant program to provide equal opportunity on the basis of the equalized mill rate across the province. I am aware that there has been some concern expressed in some areas that indeed the equality may not be what it is perceived to be. I have been examining this problem and will look even further.

I would remind the honourable member who is supposed to be representing Chapleau, however, that there are many reasons for students leaving secondary school and we have done major studies in this area. One not too long ago I think provided some information that would lead all of us to believe there are multiple factors involved—some related to the educational program, some which are entirely different, and some over which none of us has any control; the family has more control than do many institutions.

I will be happy to look at the interesting figures which the member representing Chapleau has presented to see if there is something that we can do.

HOSPITAL BED ALLOCATIONS

Mr. Cassidy: I have a question for the Premier arising also out of the trip I had

to make in the Cochrane, Timmins, Chapleau area over the course of the last couple of days.

Is the Premier aware now of the enormous concern in every community of northeastern Ontario because of the hospital bed cuts which have been decreed by the Minister of Health? Is the Premier aware by now of the fact that these northern hospitals in isolated northern communities have to meet many needs which are not required of hospitals in the southern part of the province and, therefore, that the four bed per thousand standard being imposed by the Ministry of Health bears no relation at all to the needs of that particular area?

Is the Premier aware of the fact that in the areas which I visited, Lady Minto Hospital in Cochrane is going to lose 38 per cent of its beds after it loses a 10-bed cushion this year according to the Minister of Health's (Mr. Timbrell) decree? Is he aware that the hospital in Hearst will lose 36 per cent of its beds, the hospital in Iroquois Falls will lose 37 per cent of its beds, the hospital in Chapleau will lose 35 per cent of its beds, and these hospitals stand to have further cuts when the next level of cuts is imposed by the Ministry of Health?

Will the Premier admit that these decreases represent a disaster in terms of the provision of health services in northern Ontario? Will the government act to stop any further cut-backs in active treatment beds and will the government agree to retain the 10-bed cushion on a permanent basis in these isolated northern hospitals?

Hon. Mr. Davis: Mr. Speaker, I have some slight difficulty in remembering the multitude of questions the leader of the New Democratic Party raised in his speech to the House. I think one question—

Mr. Warner: He'd be happy if you answered one.

Mr. Grande: We deal in details.

Hon. Mr. Davis: Pardon? I heard a supplementary then.

Mr. Speaker: Just ignore the interjections, please. Even the question was far too long; maybe the Premier could just deal with the question.

Hon. Mr. Davis: Mr. Speaker, you did acknowledge the fact that the question was far too long and you will understand if my answer, as a result, will have to reflect the length of the question.

Am I familiar with northeastern Ontario? Yes, I am familiar with northeastern Ontario. The fact that the government side has the members for Cochrane North, Cochrane

South and Timiskaming is clear evidence that we are aware of that part of northeastern Ontario. In fact, I'm delighted to know that the member goes up there once every couple of years to see what's happening. Am I aware of what's going on in Cochrane? Yes, I was there. I am not sure it was the same hospital but I attended at the opening.

Mr. Warner: Will you be there to close it?

Hon. Mr. Davis: Am I aware that there are certain differentials between northeastern Ontario and Toronto, or the Island, or the city of Brampton? The answer to that is yes.

Am I aware that there has to be a certain flexibility in terms of government policy as it reflects many regions of this province? The answer to that is yes. If the honourable member is asking me whether we intend to deliver a high-quality health care system to the people in northeastern Ontario, the answer to that is yes; in fact, the answer is yes to that right across the province.

Is there anything else members want to ask me about what I know about northeastern Ontario? I would be delighted to try to answer it.

Mr. Cassidy: Supplementary, Mr. Speaker: In view of the engagements and the commitments that have just been made by the Premier, will he turn around one day and direct his Minister of Health to withdraw the bed cutbacks in northern Ontario which are having the effect of drastically undermining the quality of health care in the northern part of the province?

Hon. Mr. Davis: Mr. Speaker, I think I have heard that question before.

Mr. McClellan: We have never heard an answer yet.

Interjections.

Hon. Mr. Davis: Mr. Speaker, they really are interjecting a lot over there today, don't you think?

Mr. Speaker: Yes, I do.

Hon. Mr. Davis: I should ignore it?

Mr. Speaker: Please, I am trying to.

Hon. Mr. Davis: I will do my best. I know you are trying. You are a very patient Speaker.

The answer is, as I stated in the answer to the first question, this government will make sure there is a high-quality health system in all regions of the province, including the northeast.

Mr. Warner: Tell the Minister of Health (Mr. Timbrell) that. He's the one who's destroying the system.

Mr. Wildman: Is the Premier willing now to make the same commitment as the Min-

ister of Health that hospitals with fewer than 50 beds would have a minimum of 5.3 per cent increase in budgets this year? Will he make that commitment that those grants will be covered and will he also commit the government to extending the 10-bed cushion past the end of this year?

Hon. Mr. Davis: I tried to answer that when I answered the leader of the third party's rather comprehensive question on northeastern Ontario. I really include Algoma. I guess really Algoma is sort of north-central Ontario. Is it north-central Ontario—

Mr. Warner: You are wandering again.

Hon. Mr. Davis: —and as the Minister of Northern Affairs (Mr. Bernier) says, politically in jeopardy as far as the sitting member is concerned. We understand that as well.

Mr. Martel: He doesn't know where it is.

Hon. Mr. Davis: I recall being up in northeastern Ontario before the member was, to help the people in some of those communities with some of their flood problems. I didn't see the member there. Why didn't he visit? They would love to have seen him. Why didn't he have a look around?

Interjections.

Hon. Mr. Davis: Oh, I see. The member for Sudbury East was there.

An hon. member: You are the Premier. He is the House leader.

Hon. Mr. Davis: I didn't see him there either. The answer to him is very simple.

VISITORS

Mr. Speaker: Order, order. I would like to draw the attention of all honourable members to yet another distinguished guest in the Speaker's gallery. It is an honour for me to draw to the attention of members the presence of the Honourable John R. Harrison, Speaker of the House of Representatives of New Zealand and president of the Commonwealth Parliamentary Association. Speaker Harrison is accompanied by his wife, Margaret, and by the secretary-treasurer of the Canadian region of the Commonwealth Parliamentary Association, Mr. Ian Imrie—also by our distinguished Deputy Speaker, the member for Perth (Mr. Edighoffer).

Hon. Mr. Davis: On a point of order: I hadn't really finished answering the question.

Mr. Speaker: I thought you had.

Hon. Mr. Davis: I was just getting warmed up.

Mr. Speaker: You had answered it to my satisfaction anyway.

GUELPH CORRECTIONAL CENTRE

Mr. Bradley: Would the Minister of Correctional Services, who has taken the action which this House would expect he would take in this instance, explain to the House if drugs or alcohol did get into the hands of inmates in Guelph Correctional Centre and, if so, how they manage to get hold of these products? If this is the case, is the minister satisfied with security in the Guelph institution as it relates to the smuggling in of these items, or to the escape of inmates from custody?

[2:45]

Hon. Mr. Walker: This is a medium-security facility and inmates who are kept in dormitory surroundings often have access to the community. They often have access to the grounds. It is very easy for some form of contraband to be injected into the actual institution. We think there may have been the involvement of some form of amphetamines, likely secreted in the body, brought in in the person's stomach, and we think this is the manner in which some of this was imported into the institution.

The drugs, or alcohol, or whatever was the basis of the small uprising will be determined by an investigation which the ministry is in the process of conducting at this very minute and it will be available to members in due course.

We feel we have a very secure institution. In fact, considering that it was built about 1913 and is a very old facility, we are satisfied that the security is adequate. We do recognize, of course, that seven inmates did leave during the height of the riot. This was after a considerable period of time, when they were able to pry open a window after some two hours of effort. We were not able to prevent that, and the people did escape.

I am prepared to say that at any moment now we expect at least one inmate to be recaptured. I left the scene a few moments ago and they were closing in on one person. I assume we will be able to report good results shortly.

Mr. Bradley: Supplementary: Does the minister intend to have all of the equipment that was damaged during this rampage replaced, or does he see withdrawal of some of these facilities or equipment as being retributive justice in his opinion, as it relates to this incident? Would he comment on reports

that the mattresses, which are fireproof, were set afire, and just how they stood up to the fire?

Mr. Conway: Call Sheriff Drea.

Hon. Mr. Walker: Four television sets were destroyed; they will not be replaced for the benefit of those who did the damage. In other words, those people who took part in the riot will not have the benefit of any television facilities.

Mr. Makarchuk: They may have been watching the Tory ads.

Mr. Cassidy: Withdraw the ads, save our prisoners.

Hon. Mr. Walker: There have been other appliances destroyed, and they will be eliminated as well. With respect to the mattresses, members will recall just a few years ago the very unfortunate incident in Stratford. I have to tell you, Mr. Speaker, that a number of mattresses were set afire, but because they were the flame-retardant ones manufactured by the ministry at Mimico they did not produce the toxic fumes which would have been produced had the mattresses not been replaced just over the last couple of years. It is fair to say that many inmates are alive today who would not have been had the mattresses been the same as they were prior to 1975.

Mr. Roy: Supplementary: Having listened to the minister's statement and being in agreement with him that all legal steps should be taken against the inmates, which would include prosecution under the Criminal Code of Canada of the people who caused damage, can the minister nevertheless assure the House—as I understood from his statement, some 180 inmates may have been involved, if that is the correct figure—that in an occurrence such as this all steps will be taken to ensure that the inmates who are responsible will be the inmates who will be punished, and that inmates who were in the peripheral area and were not involved will be protected and not unduly punished?

Hon. Mr. Walker: Only the inmates involved will be punished.

Mr. Cassidy: Supplementary: Now that the minister has outlined the very severe sanctions which are being taken against the inmates who have been involved in this particular disturbance at the Guelph centre, is the minister prepared also to make available any ministry reports about shortcomings in the operations of that particular centre which may have contributed to the unrest that blew up in the disturbances that he has been talking about?

Mr. Lawlor: Did he forget about that?

Hon. Mr. Walker: I am prepared to supply to the member for High Park-Swansea (Mr. Ziembra), who is his party's critic for this ministry, and to the member for St. Catharines (Mr. Bradley) whatever reports are produced from the investigations.

FLOOD DAMAGE

Mr. Conway: Mr. Speaker, in the absence of the Minister of Natural Resources, I would direct my question to the ubiquitous Premier.

Hon. Mr. Davis: Who?

Mr. T. P. Reid: You had better get shots for it.

Mr. Conway: My question concerns the area of Rolphton, but it does not deal with the nuclear power station there. Could the Premier explain at this time how it is that along the Ottawa River in the area of Westmeath, south of Pembroke, through to and including the town of Mattawa, we are continuing to experience high water conditions that are creating serious flood conditions in the areas of Pembroke and Mattawa? Could he explain how it is that the control agencies to which the Ontario government has input are allowing these high water conditions to continue?

Hon. Mr. Davis: The member who represents one part of that area reminds me that the federal agency has certain judgement decisions to make in these situations. If the honourable member is asking me as a layman if I know the reasons why there are higher water levels than usual, the explanation I received in other parts of northern Ontario last week was that we have had an excessive amount of rainfall. There were two or three days of higher than normal temperatures where the runoff was greater than was normal. There was a fair amount of rainfall last summer, which incidentally resulted in fewer forest fires throughout the north. The water tables were up and the absorption ability was less. This explanation was in general terms and did not necessarily refer to the Ottawa River, but I think it has some application and is part of the reason for the excessive water at this present amount. If that is true of the area around Field, the Sturgeon River and elsewhere, the reason is probably the same at Mattawa on the Ottawa River.

I am not as familiar with what is causing the flooding in Manitoba, I have to confess, other than some experts say it is basically—

Mr. Peterson: Too much water.

Hon. Mr. Davis: Yes, it's too much water. The member for London Centre has made the

most perceptive observation in his term of office here in the House: Flooding is caused by too much water. I've got to tell him that's the most profound statement I've heard him make.

An hon. member: It is the first time he was right.

Mr. Peterson: There's too much water over there too.

Hon. Mr. Davis: As it relates to what can be done about it, I certainly will make some personal inquiries for the honourable member and see if there is any further information I can impart to him.

Mr. Conway: I appreciate what the Premier said about too much water.

Hon. Mr. Davis: He said it, not me.

Mr. Conway: In that connection, would he undertake to explain clearly to the people of the upper Ottawa Valley how it is that with flooding in Pembroke and in Mattawa, the huge Ontario Hydro dam at Rolphton has all-time low water conditions immediately behind it? How is it that such an anomalous condition could obtain there with flooding below and above the dam, in Pembroke and Mattawa? Clearly the people of the Ottawa Valley expect the kind of explanation, which has not been forthcoming to date from this government.

Mr. Breithaupt: It's too little water.

Hon. Mr. Davis: I assure the honourable member to the best of my limited ability I will get an explanation as to why the water levels to the north are higher than they should be or normal while to the south and in the middle they are not. I certainly will endeavour to get that information for the honourable member and convey it to him.

Mr. Laughren: You even know how to make it rain.

HYDRO TRANSMISSION LINES

Mr. Stong: Mr. Speaker, in the absence of the Minister of the Environment and the Minister of Energy, I have a question of the Premier.

With the growing legitimate public concern over the safety of nuclear-generated power and, indeed, even the need for such power and, more particularly, the need for the 550-kilovolt transmission line between Nanticoke and Pickering, and keeping in mind the undertaking given by the Minister of the Environment (Mr. Parrott) to the clerk of the town of Markham, in a letter dated April 11, which said, "I would like to assure you that future Ontario Hydro undertakings

in your area will receive the full treatment under the Environmental Assessment Act," will he now cause to be conducted an environmental assessment hearing into the development of the proposed 550-kilovolt transmission facilities going through the town of Markham?

Hon. Mr. Davis: Mr. Speaker, I cannot give the honourable member that commitment. Knowing the way he approaches most issues, with logic, I think he will understand that the preface to his questions really is not relevant to the concern he is expressing on behalf of his constituents.

[3:00]

There is a need for the 500-kilovolt line. The 500-kilovolt line from Pickering to Nanticoke is essential in terms of the distribution system for Ontario Hydro. One can debate its specific location but I think it's fair to say—and I'm only going by memory now—that part of this routing, though not necessarily the specifics, was determined to be through Markham as a result of Mr. Solandt's study, which made a determination as to the approximate location. The need for an environmental hearing in this instance, I would suggest, is one primarily of an aesthetic nature.

I went through this. There were three routes proposed through the former great riding of Peel, now Wellington-Dufferin-Peel and Mississauga North, and I know exactly what the issue is. To a certain extent, it's the same issue as that being conveyed to me by the member for Halton-Burlington (Mr. J. Reed) where one determines, through an environmental hearing, a question of its environmental acceptability.

In this particular situation, if my recollection is correct, we're really talking about whether it should be going through or on a particular corridor, or be moved. I have to say to the member my experience has been that while the problem can be resolved for the residents who are directly affected by location A, when it is moved to location B, another group of people are understandably upset.

So, I cannot give an undertaking that there will be an environmental assessment as to the location of that 500-kilovolt line. I met with some of the member's constituents as it related to another aspect of the 500-kilovolt line—I think this was near Richmond Hill—to see if we could work out a more acceptable crossing. He may not be aware of it, but on that occasion, I endeavoured to find a more acceptable way for the crossing of Yonge Street, I believe. Perhaps he will recall the particular situation.

I'm quite prepared to explore any reasonable way to assist the ratepayers concerned, but I cannot give the member an undertaking that there will be an environmental assessment hearing on the question of the transmission line.

Mr. Stong: A supplementary: I'm sure the minister is aware that one of the other features of an environmental assessment hearing would be to consider the safety feature of the transmission line and not just the aesthetic quality. In view of that, and since the parkway belt west plan—

Mr. Speaker: Question.

Mr. Stong: —has not been approved by cabinet beyond highway 48, does the Premier not feel that he should call an assessment hearing to determine the effect on the greater number of people who would be affected by the line where it's already proposed?

Hon. Mr. Davis: I really don't think the member is suggesting that the environmental assessment hearing would determine the safety of the 500-kilovolt line. The safety factor of the 500-kilovolt line has been reasonably accepted. Heavens above, that same line is going through communities two miles south, or less, of the great city of Brampton. We have had some of these debates. It's going through Milton.

While the parkway belt west hasn't been finally determined, I guess in some respects it is as close to finality as it can be and would not alter the proposed route or corridor through Markham. That is my understanding. So, while I am sympathetic to the concerns being expressed by the member on behalf of his constituents, I can't honestly say to him that there would be an environmental review.

CONSTRUCTION EMPLOYMENT

Mr. Samis: I have a question of the Premier, Mr. Speaker, in the absence of the Minister of Labour (Mr. Elgie). Could the Premier report to the House the status of negotiations between his government and the province of Quebec on the long-standing problem of Quebec construction workers? More precisely, could he say whether or not there have been any negotiations since February and whether he has any realistic hopes for a negotiated settlement?

Hon. Mr. Davis: Mr. Speaker, I always live in hope. I even live in hope that the member's party will maintain some consistent posture with respect to this particular issue which—

Mr. Samis: Don't forget the question.

Hon. Mr. Davis: —incidentally, they have not done to date. They were ready to lead the crusade.

Mr. Samis: The question.

Hon. Mr. Davis: They wanted to declare a major incident with respect to this issue.

Mr. Samis: I asked about negotiations, not the bill.

Hon. Mr. Davis: Now they want to see some negotiated settlement. I have a long memory, I know exactly what was said. I know they've changed their position and that is not unique.

Mr. Laughren: You're getting silly.

Hon. Mr. Davis: They do it very regularly. Yes, discussions have been going on since February.

Mr. Samis: As the negotiations or discussions have been going on for almost 18 months without any solution, could the minister assure the construction workers of eastern Ontario that if there is no settlement his government will proceed with its commitment to introduce a legislative settlement as was done preliminarily 11 months ago without any solution to it?

Hon. Mr. Davis: Our statement and position on this, unlike that of the member's party, has not altered. We want to see a solution. The member should check with his leader—

Mr. Samis: What are you going to do?

Hon. Mr. Davis: —to see whether he in fact wants to see legislation, because that's not what he's been saying.

Mr. Warner: We want to know what you're going to do. You're not going to do anything.

Hon. Mr. Davis: Oh, come on. You people have been all around the bush.

Mr. Martel: You introduced it and then withdrew it.

Mr. Roy: A supplementary to the Premier, if I can have his attention. Would he advise the House, and possibly get a response from his Minister of Labour, in view of the fact that the Minister of Labour and Manpower in Quebec, Mr. Johnson, has made a number of statements to the National Assembly in Quebec to the effect that there has been a negotiated settlement, and, secondly, that the proposed legislation, which we supported on second reading, and on which the position of this party has been consistent, which the Premier will admit if he does have that good a memory—

Hon. Mr. Davis: I do. It was one of the rare times.

Mr. Roy: Would the Premier advise the House and get a response from his minister about whether in fact there is movement towards a negotiated settlement; and, secondly, about whether his Minister of Labour agrees with the Minister of Labour and Manpower in Quebec to the effect that the Ontario minister has withdrawn his legislation and does not intend to bring it forward again?

Hon. Mr. Davis: I think I can say this to the member for Ottawa East, there have been certain suggestions made and there have been discussions. My understanding is that there is, as yet, no finality.

COLLEGE EXAMINATION MARKS

Mr. Sweeney: A question to the Minister of Education: Given that one of the fundamental principles of good education is that students be allowed to know how well they are doing in their course, how can her ministry possibly justify the order that instructors at George Brown College are not to give the graduates of the stationary engineering course the marks they received on their exams?

Hon. Miss Stephenson: Mr. Speaker, I gather that the request was made of the ministry by the trade itself at one point, because it felt it was more appropriate to have those who passed simply know that they had passed and those who failed know by how much they had failed in order to spur them to greater efforts. I do not think it's a good policy and I have already directed that indeed it be changed.

Mr. Sweeney: Supplementary: Would this have anything to do with the experience of last December when exams set by this ministry which were deemed to be inappropriate resulted in 42 out of 42 students at George Brown, and 21 out of 22 at Mohawk College, and nine out of 10 at Niagara College failing those exams? Is there some connection there?

Hon. Miss Stephenson: No. It's my understanding that the policy has been in place much longer than that, as a matter of fact.

Mr. Sweeney: One year.

Hon. Miss Stephenson: It's been longer than that. It has nothing to do with that.

INTRODUCTION OF BILLS

VETERINARIANS AMENDMENT ACT

Hon. W. Newman moved first reading of Bill 80, An Act to amend the Veterinarians Act.

Motion agreed to.

Hon. W. Newman: Mr. Speaker, the purpose of this bill is to make a minor amendment to the act to provide for class membership in the Ontario Veterinary Association and to remove the maximum amount of the penalty that may be prescribed for late payment of annual membership fees. This takes in the veterinarians who are doing work at our Ontario Veterinary College at the University of Guelph and will allow them to take part in the medical practices going on in the labs, which they are now doing but maybe not properly.

HUNTER DAMAGE COMPENSATION AMENDMENT ACT

Hon. W. Newman moved first reading of Bill 81, An Act to amend the Hunter Damage Compensation Act.

Motion agreed to.

Hon. W. Newman: The purpose of this bill is really to remove from the act the maximum payments for hunter damage to livestock and to allow us to do it by regulation. From time to time the price of livestock changes, and rather than having to bring in a new piece of legislation each time it will be done by regulation in the future. This will move it up or down, whichever the case may be, according to the livestock market.

DOG LICENSING AND LIVE STOCK AND POULTRY PROTECTION AMENDMENT ACT

Hon. W. Newman moved first reading of Bill 82, An Act to amend the Dog Licensing and Live Stock and Poultry Protection Act.

Motion agreed to.

Hon. W. Newman: This serves the same purpose here as the Hunter Damage Compensation Act. It allows the municipalities to pay, by regulation of the government, a higher return for animals or poultry killed by dogs. It is really just the same as the hunter damage bill.

BOROUGH OF EAST YORK ACT

Mr. J. Johnson moved first reading of Bill Pr12, An Act respecting the Borough of East York.

Motion agreed to.

TOWN OF NIAGARA-ON-THE-LAKE ACT

Mr. Kerrio moved first reading of Bill Pr1, An Act respecting the Town of Niagara-on-the-Lake.

Motion agreed to.

GOVERNMENT PURCHASING ACT

Mr. Makarchuk moved first reading of Bill 83, An Act respecting the Purchase of Goods and Services by the Government of Ontario and Government-Supported Institutions.

Motion agreed to.

Mr. Makarchuk: The purpose of the bill is to ensure that the Shop Canadian program is seriously followed by the government and publicly-financed institutions. Businesses that make a bona fide offer that is within 10 per cent of the price of foreign-produced commodities or services and have the offer rejected, then the businessman, through the courts, will be able to extract compensation from the government or institution amounting to 10 per cent of the cost of the foreign-produced commodity or service.

MASSEY HALL ACT

Mrs. Scrivener moved first reading of Bill Pr13, An Act respecting Massey Hall.

Motion agreed to.

[3:15]

ORDERS OF THE DAY

CORPORATIONS TAX AMENDMENT ACT

(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 59, An Act to amend the Corporations Tax Act, 1972.

Mr. Charlton: Thank you, Mr. Speaker. Through you to the Minister of Revenue (Mr. Maeck), I'm rising to speak for our caucus in opposition to Bill 59. I won't be too long in my comments today as we've gone on at length on all of the revenue bills at this time and a great many of the comments I would normally have made on this bill were made during the course of debate on the other revenue bills. However, I must say that with respect to this bill, an Act to amend the Corporations Tax Act, 1972, we were extremely disappointed in the government, in the Treasurer (Mr. F. S. Miller) and in the Minister of Revenue. The corporations tax is probably the one tax we in this caucus would have felt comfortable about seeing increased substantially at this time.

We tend to agree with the minister's federal leader that at this time we should have been doing everything we possibly could to return tax dollars to consumers, at the very least to hold the line on taxes that effect consumers directly. Unfortunately, all

of the other tax increases which this government has implemented in this budget have been direct taxes on consumers: the gasoline fuel, tobacco, liquor, retail sales, land transfer taxes have been imposed directly on consumers. Although we don't always agree with the federal leader of the Conservative Party in terms of method, we at least agree with him that this is the sector we should be attempting to stimulate at the present moment, putting money back into the pockets of the consumers of the province of Ontario and Canada; this is the tax we should have been using to raise the additional revenue the government nicked and dined out of all the other taxes.

I always find it strange that when this government imposes tax increases in consumer areas, or fee increases in consumer areas, they can find the audacity, as they did last year, to propose an increase in OHIP of 37.5 per cent in one shot and then reduce it to 17 per cent and think they've given somebody a real break. This year they turn around and increase gasoline taxes by nine and a half per cent and land transfer taxes by 33 per cent, but when they come to the corporations tax they increase it by 7.6 per cent. I know the minister is going to tell me that in the case of the banks the increase was 33 per cent, but overall it's the smallest tax increase in this budget. It's true that in that one instance it has been increased by 33 per cent, but the overall basic increase in the corporate income tax is only 7.6 per cent.

Why is it that when the Treasurer and the Minister of Revenue deal with corporations' income, corporations' ability to pay taxes in a year when we are seeing all kinds of records in corporate profits, that they deal with them less heavily than they do with the average consumers in this province, the consumers that we all know are extremely hard pressed already without any of the tax increases we have imposed this year? I and the people in our caucus find it just somewhat dismaying that we have to sit here and debate a tax increase of only seven and a half per cent to corporations, but also find that most of the consumers in one way or another are being hit with a tax increase that's substantially greater, and in more than one area.

Then the minister and the Treasurer turn around and exempt many of the corporations in this province from this tax increase altogether. The tax increase will apply only to the retail sector and to the service sector. It's strange to note again that those two sectors that are getting the increase are also

the two sectors that are going to directly affect the consumers. Everything this budget has done has a direct impact on the consumers of this province and takes money out of their pocket, either in a tax increase or ultimately in a price increase that results from a tax increase.

We are not increasing taxes for the manufacturing sector. We are not increasing corporate taxes for the mining sector. In fact, we are not only not increasing them for the mining sector but we are giving them additional tax breaks in the Mining Tax Act as well. But the two sectors that are going to directly affect the consumers of this province, the retail sector and the service sector, those sectors which the consumers buy directly from, those sectors which in some way are going to implement price increases as a result of these tax increases to make up and probably, as they usually do, collect more in price increases than what the tax costs them, are going to affect consumers directly.

It's our view that this is a tax where this government should have done just a little more in order that perhaps there didn't have to be any of the other—or fewer at least of the other tax increases which were proposed and are being implemented presently. We would like to have seen the two per cent increase in the corporation income tax across the board. I have said it before, our Treasury critic, the member for Nickel Belt (Mr. Laughren), has said it before, our leader has said it before; we would have preferred to have seen a two per cent increase in the corporation income tax across the board, because from what we have seen in the last year or year and a half the corporations in this province and the corporate profits which they have been pulling in for the most part, are considerably on the upswing; and that's the sector that for the most part isn't complaining about taxes, not in the same way that the consumers of this province are complaining about taxes and being hurt by taxes.

We would have liked to have seen the increase in this bill from 13 to 15 per cent instead of from 13 to 14 per cent; and we also would like to see the exemptions which the Minister of Revenue and the Treasurer have built into this bill for the manufacturing, mining, processing, farming, logging and fishing industries removed from the bill so that it's an across-the-board increase that deals with all of the corporate sector in the same fashion.

We have no quarrels with the changes in the other sections that have upped the small business exemption to correspond to the tax increase so that they stay at an effective

rate of 10 per cent. We are prepared to work with the government on protection for small business and assistance and incentive to small business; we do not have any problem with that. We all understand very well the kind of pressure that the small business sector has been under as a result of the ever-increasing size and almost unbelievable strength of the large corporate sector.

We were also somewhat disappointed with the very small increase in the capital tax on banks, although the minister, as I say, is probably going to respond that in this instance it is a 33 per cent increase. But with the kinds of profits the banking sector has been making over the last number of years, it is a sector that I think we could effectively tap in terms of increased revenues for this government without doing any serious harm to that sector; instead, we increase taxes to consumers where the pressure for some at the lower end has been so intense that they do not know where to turn.

In concluding, I would just like to say that, although I did not want to carry on too long here, we are somewhat disappointed in the government because of the approach they have taken in this budget, and this bill reflects it very clearly. This is the tax area that could have been effectively used so that this government could have eliminated all or a lot of the other tax increases that they have imposed in this budget—tax increases which affected the sectors already most in trouble from taxes. We are going to oppose this bill because of those reasons.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 59, An Act to amend The Corporations Tax Act, 1972, particularly as it relates to the general rate of corporate tax, which will be increased to 14 per cent. Exempted from this increase is income from manufacturing, processing, mining, fishing, logging and farming, which will still be taxed at 13 per cent. The low 10 per cent rate will be maintained on small business income. The Treasurer said that he anticipates \$36 million in new revenues will be generated by this tax hike, which takes effect April 11. In addition, the capital tax on banks has been raised from three-fifths to four-fifths of one per cent, effective April 11; as a result, banks will pay an additional \$5 million in taxes.

In going back into some of my older files of past announcements and press releases by the government of Ontario, I was particularly interested in the report Ontario Proposals for Tax Reform in Canada. I believe this was tabled in the House on April 6, 1971. There are some interesting comments in that particular report, which was tabled in the House

by the then Treasurer, who I believe was the Hon. Charles MacNaughton. This report deals with the white paper on taxation of corporations and shareholders, and it relates to personal income tax too. The Treasurer said:

"What these papers and studies make clear once and for all is that, while there are three levels of government, there is only one taxpayer. This means total tax burdens at all levels of government—not just one taxpayer at one level of government—must be taken into account, if increased fairness that means anything to the people is to be achieved."

Looking at that particular comment, certainly the introduction of the budget here recently indicates that all the tax increases and tax shifts have gone to the people, and not to the corporations or to other areas where perhaps taxes could be raised.

Quoting again: "It means that public-sector expenditures must be restrained so that relief in one set of taxes is not offset by increases in other taxes."

This latest budget brought down by the Treasurer is in direct contrast to his predecessor's original proposals back in 1971.

Quoting again: "It means that tax reform should make a positive contribution to economic growth, if both the unemployed and employed are to reap any benefits that matter."

[3:30]

If members followed the election in Great Britain, if I am not mistaken that was one of the keynote issues that brought about a Conservative victory, namely, to reduce tax rates to spur production and to give money back to the general public to go out and buy the goods, if necessary, to create buying of consumer products that create employment later on in industry.

This government is in direct contrast to the Conservative policy.

It was a rather interesting statement by the former Treasurer. He said: "Finally, it means that the joint use of tax fields requires a partnership sharing of revenues which reflect soundly developed spending priorities at all three levels of government."

I suppose that particular document that was tabled in the House at that time led to the Edmonton commitment. We have heard much about the Edmonton commitment, but there hasn't actually been a fair sharing of the tax basis in Canada or in the province with the local municipalities. If we look at the increases in municipal taxes throughout the communities in Ontario compared to increases in corporation tax or income tax, it is once again the

average person in the province who is carrying the tax load as a result of the government's increases through the tax proposals in the budget statement.

I bring that to the attention of the minister. On previous occasions we have had the opportunity to review the Corporations Tax Act and the amendments that followed over a number of years. Talking to people in my area particularly and from the information that was passed on to me, I find there is still a difficulty in the two tax levels with regard to corporation taxes. We have it at the federal level and we have it at the provincial level. For some unknown reason, this province and this ministry still have not accepted the principle accepted by a number of the other provinces that there should be only one tax collector in this area, that is the federal government. Trying to decipher the intent of the legislation at the provincial level and also at the federal level just adds confusion on top of confusion.

There are two sets of accountants in Ontario and throughout Canada. There are the corporation accountants, and the regular accountants who deal with almost anything. It is rather confusing in this particular area for these persons to have to try to decipher all the different rules and regulations that apply to corporation taxes.

The present income tax method is simple. One government level collects it, namely the federal government. Then on a sharing basis the provinces get their piece of the action. There is no reason why this couldn't also apply to corporation taxes. Other provinces in Canada have agreed to permit the federal government to collect the tax on a sharing basis. It is a simple method and it is time this government integrated the two systems. It would make it much easier for the small businessman and even the corporations. It might also give an opportunity to plug some of the loopholes that are there over interpretations of both acts. I bring that to the attention of the minister.

The other matter I want to bring to the attention of the minister relates to the budget paper entitled Strengthening Fiscal Management. Page seven refers to corporation income tax and says: "Higher than anticipated costs of recent federal initiatives have contributed to lower revenue growth." If Clark ever makes it we are going to have a further reduction in revenue growth in Ontario because he is promising the world.

The paper goes on: "These include the three per cent inventory valuation adjustment and fast writeoff for production

machinery"—I think we have that in Ontario—"measures that were paralleled by Ontario.

"An equally important factor is that from the mid-1970s until recently corporate profits before taxes have performed poorly."

In some cases they may have; in other cases I don't think I have to tell members about the huge profits that are being seen in the oil industry and in other key industries in Ontario and throughout Canada.

The quotation continues: "Furthermore, there has been some shifting of the tax base to the west. More recently these factors have been modified in some degree by the lower value of the Canadian dollar."

That's taking a short route out of solving the problem. We have seen that many industries, and perhaps many trust companies I suppose it is, and other persons in the financial world, moving to Alberta where there are certain tax concessions given.

Then again I suppose that could apply to foreign investments and foreign industries and foreign corporations here in Ontario and throughout Canada. Wealth generated from industry in Canada is going out to develop offshore industry. Let's take, for example, Inco Metals Company and their involvement in Guatemala and Indonesia and places like that. It has taken resources revenue from this province and gone out to generate jobs and businesses in other countries. We are now having the impact here in that we have to compete with that offshore industry.

I think in this case the ministry should be taking a close look at this matter of foreign investments and make sure they do pay their fair share of taxes here in Canada. If not it means the Canadian taxpayer again is subsidizing the large corporations.

I mentioned previously on one of the bills that the banks now in Canada are going offshore to develop foreign markets, but the capital has originated in Canada, even in Ontario.

Mr. Philip: Where do you get all this socialistic propaganda?

Mr. Haggerty: If the member listens he might learn something yet.

All I am suggesting is that if the House is going to make tax changes in this area it should be looking at the offshore operations for which the wealth is generated here, it could mean the taxpayer would be subsidizing that industry. In a sense, as I say, I'm a shareholder in one of the banks, and I appreciate my return. Perhaps it could be a lot higher than it is. But when I go back to the matter that they're going offshore to

develop further operations in other countries, then as a shareholder, particularly in that bank, I'm looking for higher returns on my capital investment.

I suggest that in this area, where the government is only going to be raising \$5 million from the banks, it just doesn't portray the corporate profitability. It is only a measly amount the government is gaining from that. There is a new tax area here and perhaps next year we will see it increased to maybe 1.5 per cent or something like that. I imagine that is the case; it is a new area, the government has found a new avenue to increase revenue; and I suggest there's nothing wrong with it, but I just question the small amount being raised. Hopefully the government will give further consideration to some of my comments.

When I look at the situation today, almost all the tax increases certainly hit the average citizen in the province. I feel there are other areas you should have been looking at, particularly in the matter of the capital tax rate increase for banks from three-fifths of one per cent to four-fifths. I think definitely that is an area the government could have broadened out a little bit further.

Based upon those comments, we will support the bill.

Mr. Makarchuk: Mr. Speaker, I would like to comment briefly on the bill. In the first place, I look at tax legislation as a means of implementing job creation, to bring about transfer of incomes, to create industrial strategy, to create new industries and so on. This is the purpose that corporations' taxes should be used for, and when we look at the increase in this particular tax that's introduced now we find it performs none of those functions.

We notice that, outside of the farming area, which deserves a break, the others who are getting the break are the mining, logging, fishing, processing industries. These are the industries that are doing quite well at this time. If we were to look at their last quarter profits, they were up over 50 per cent compared to the previous quarter.

It's the smaller businesses, the smaller manufacturers who really need the assistance and they are the ones who are not getting it. It boggles the mind to figure out just exactly what inspired the government to provide assistance for the ones who are making it, and making it quite well right now, and ignore the other business sectors of society, particularly in view of the fact that it's the small businesses that create most of the jobs, in terms of the total number of jobs and also in terms of the jobs per investment.

The other factor that has to be taken into account when we look at any type of tax legislation is whether it has the ability to plug various existing loopholes. Once again, if we listen to some of the experts—and one of the most notable ones, I would presume, would be Eric Kierans, who points out that, despite everything, corporations get away with a minimal amount of taxation and they do not pay their fair share of taxation.

We look at a series of articles in the papers—the most recent one was in the Sunday Star about two weeks ago—pointing out that a clerk in a bank pays the same rate of taxation as the bank does, because of certain loopholes. One would think if we had a really alert government and an alert Treasurer and an alert Minister of Revenue, we would try to snaffle onto that extra funding that's available. As far as I can see, there's absolutely nothing to prevent the government from trying to collect some of that extra money the banks are getting right now through certain loopholes. Why that money shouldn't go to the province is something I cannot understand. The government has the power to bring in that kind of legislation, and it certainly would have raised quite a few millions of dollars, considering the fact that a lot of business transaction activity is carried on in Ontario.

The other factor in the loopholes is, once again, the matter of the multinational corporations, the fact that they can transfer unit costs from a parent corporation in a foreign country to Canada, charge the local firm a price that is not really related to the actual value of the article, and in that way control the taxation or the profitability of corporations existing in Canada, as opposed to other areas.

I think the significant thing about it is it was a matter I kept raising every time we discussed corporations taxes or whenever we discussed the estimates of the Ministry of Revenue. The Ontario Economic Council has recently brought in a report which says there is a considerable possibility for erosion in the fact of the transfer of payments, that they are able to evade taxes and there is really no fair way to assess what is a fair charge for patents or royalties, management fees, licensing fees and so on.

It also states that despite the fact that we have a withholding tax it still does not deter the corporations from doing these things. It points out that the automobile industry is one of the places where this could be a matter of serious consequence, in that they may not be paying their fair share of taxation for living in a good society, and other people

have to pay taxes in order for the good society to exist.

I wonder why the minister, after this is a matter that has been hashed over for a number of years, still does not make a very serious effort to try and plug some of these loopholes, to try and discover, at least, just exactly what is happening in these transfer payments, to find out just exactly how the multinationals operate in the market, and to try to collect what I consider is the fair tax owing to us that they should pay. I can't understand it.

The only conclusion I can come to, when we look at the so-called free enterprisers, if we look at the examples of free enterprise, the two major countries that stress the free enterprise system—they have a character disorder which I call strictly free enterprisers—Canada and the United States, have the highest unemployment rate, the highest inflation and the lowest growth rate.

[3.45]

In other words, all the economic arguments indicate they just can't operate the economy. Perhaps the fact that they can't operate the economy also indicates that they can't really write a decent corporations tax act that would ensure that everybody pays his fair share. We're not asking that the corporations pay more than anybody else, we're saying they should be paying a fair share and this tax bill really doesn't do that.

Mr. Nixon: Mr. Speaker, I just want to speak briefly about one aspect of the tax. It was covered very well by my colleague from Erie, however I want to reiterate my dismay that the province is not in a position to extract a larger amount of revenue from banks.

I've been reading the sections under section 16 of this bill which re-enact sections 131 and 132, and they're completely meaningless to me. I have a feeling my good friend and colleague the Minister of Revenue has studied them and they are meaningful to him, but it is the worst salad of legalese and gobbledegook you could possibly put together. One can only get an interpretation from two sources; what the Treasurer has said in his budget and the fact that the banks have said nothing.

I wish we could tax them so that they squeak a little bit. All you have to do, Mr. Speaker, is walk down to King and Bay streets and see the kind of capital and power in the financial community that lies in their hands. It's strange and difficult for me to understand why we in this country have such a commitment to the sanctity of the banking corporations. We're famous the world over

as great buyers of insurance, investors in government bonds and savings bonds and contributors to savings deposits.

Mr. Haggerty: There was \$47 billion in the first part of the year.

Mr. Nixon: There was an interesting article last week which said the banks were transferring an untold number of billions to the holders of savings deposits because at the end of April, the interest was credited to these savings accounts. I had a small credit myself and was very anxious to see just what it amounted to. I'll tell you, Mr. Speaker, there is absolutely no way of calculating what the banks owe you without a computer. You simply look at the number in the passbook and say, "Oh, is that all?" It is; it's that phrase that always goes with life, is that all it is?

This interest payable on the minimum monthly balance accruing once every six months has to be the damndest machinery for the benefit of the banks that was ever contrived. They can certainly calculate the interest we owe them to the nearest minute with their computers, and I have a feeling the great Liberal Party of Canada would not be in the position it is now, although we agree that they're going to be re-elected, if they had taken some sort of a reasonable, normal, up-to-date position with regard to rewriting the Bank Act.

Anybody who says the government of Canada is headed by some wild-eyed radical is certainly wrong when honourable members see the way the banks have been treated by the Liberal government in this country over many years. It leaves the field wide open for an enterprising Minister of Revenue to do something, to reach in there and get some of this revenue that we should be getting.

I won't bore you, Mr. Speaker, or the minister, by talking about the obvious wealth, opulence and power controlled by the Canadian banks, both here and internationally. We can talk about international conglomerates with their muscly hands around the economic necks of businesses and others, one can go almost—well and poor, downtrodden labour union members too—one can go almost all over the world and bankers are doing business in this great style.

I've been trying to determine why governments in Canada are so fearful of going at the banks in such a way that we might get some reasonable revenue out of them.

All I can think of is that there was a time when many politicians—I suppose now gone to their reward—were forming their ideas

and concepts and that a bank here, the Home Bank, failed. Nobody has ever heard about it, but around the dinner table at home I used to hear about the Home Bank failing and that there were a lot of little depositors who were left high and dry by the governments of the day.

There is a very famous historical account, written with a provincial government subsidy, about the Treasurer of Ontario back in the early 1920s being subverted by the banking officials of the day. They came to see him and said they understood the tremendous pressures he experienced in his new responsible position as Treasurer and that a lot of people did not understand the many expenses he had, and they left him a cheque for \$15,000 to assist him. He did not take it, I hasten to say to the Minister of Revenue in case he was thinking he had better look up the precedent. He said, "I can't do that," of course. But some weeks later he found the cheque in his desk. As he told the judge later, he did not know what to do with it; so he deposited it to his account.

The bank which had made this contribution failed, and the political uproar associated with that did not die down for a long time and, in fact, may have sensitized politicians in the 1920s, 1930s and 1940s—many of them existed and were active even longer than that—to the fact that the bank simply had to have lots of capital and not too much political or tax interference. That is the only thing I can think of. I do not think any other country in the world has a banking system anything like ours.

There are those who are very proud of what we have done here, because we have erected these huge, powerful, monolithic, financial institutions which we worship in one sense or another. They are changing a little bit. They are finding competition is affecting some of the facts of life as far as they are concerned.

The Bank of Montreal—"my bank" to a million Canadians, including me—was having a tough time. But now they are marketing their services with lotteries, fancy advertising gizmos and lots of stuff on the television, and I understand they are doing very well indeed.

The one saving grace as to the profits of the bank is that anybody who can get together a few bucks presumably can buy some shares of these banks. But, even then, the dividends that come to the shareholders do not reflect the fabulous profit positions that the banks have found themselves in. They certainly should be paying interest on the minimum daily balance and compounding it.

It could be done simply by an act of Parliament, in my opinion. They have the machinery and the structure for doing it. Many near-bank institutions can do this now.

I regret that we in this province seem to have followed the leads of many other governments in Canada and have not taken what is even a reasonable, let alone hard-nosed, position vis-à-vis the banks.

It seems to me that many successful politicians as they move out of the Legislature tend to move on to the boards of banks, such as the former Treasurer from Chatham, the former Minister of Agriculture and Food from north of London and the former Premier. As a matter of fact, when Leslie Frost left here, he went on the board, I believe, of the Bank of Montreal.

Hon. Mr. Bennett: I think it was Victoria and Grey.

Mr. Nixon: Oh, that was a very small responsibility in comparison. But I had the impression that when he went down to the boardroom of the Bank of Montreal he ran that place. It was not, as we sometimes think, the great honour that is given and a few bucks attending regular meetings of corporations, with the politicians sitting in the back and maybe expressing a view now and then.

Maybe it was Mr. Frost who took this initiative, but the Bank of Montreal directors asked political leaders down to have lunch with them. I went once. The honourable member for York South (Mr. MacDonald) went once, if you can imagine a raving socialist being asked into the boardroom of the Bank of Montreal. I guess they figured they had so many Tories there over the years that it would not hurt to bring in a couple of outsiders. We had a nice lunch which, of course, I would comment on, but when the board meeting began I do not think they did any business other than very routine business.

The Honourable Mr. Frost certainly took a leading role. The big cheeses from Montreal had flown up in the company jet to take part in this meeting and I was overwhelmed by it all, I can tell you, Mr. Speaker. But I wasn't overwhelmed to the point where I can't urge the Minister of Revenue and anybody else listening to tax more money out of the banks. This change, which increases the take by \$5 million, is just a joke. I wish we could do more.

Mr. Laughren: I rise to support the remarks of my colleague the member for Hamilton Mountain. I do so with some trepidation for fear the minister will dredge up some remark made by himself or his staff

about it being humbug. I was offended the other night for one of two reasons when the minister claimed that his staff thought the remarks made by my colleague were humbug. If the minister's staff said they were humbug, fine; but why does he pass the responsibility for the remarks to his staff? Does the minister not have the courage to say it himself? Is that the minister's problem? The minister is responsible for the comments of his staff.

Hon. Mr. Maeck: Right, I accept full responsibility.

Mr. Laughren: The minister didn't hesitate to say it was his staff who said it, though, did he?

Hon. Mr. Maeck: That was a slip of the tongue.

Mr. Laughren: Yes, a slip of the tongue.

Hon. Mr. Maeck: Just the way your own slips most of the time.

Mr. Laughren: Yes, yes; sure, sure. Mr. Speaker, I will proceed with the debate on the bill and perhaps when the minister responds, he could give us his views on the comments we make on the bill and not those of his staff.

As my colleague from Hamilton Mountain indicated, and we stated this before the budget came down, we think corporation taxes should have been moved to 15 per cent across the board. That would not have made Ontario uncompetitive in this confederation, which is what the minister and the Treasurer would have us believe. Manitoba and British Columbia each have 15 per cent corporation tax; Newfoundland and Saskatchewan have 14 per cent. One would think it would be the underdeveloped provinces which are attempting to attract investment into their provinces which would be worried about having too high a corporation tax. Ontario is not in that position. Ontario is not in the position of having to compete with Newfoundland for corporate investment; that's not the case at all.

The other thing that bothers us is the arbitrary exemptions which the minister applied to the increase. He says there is going to be an increase to 13 to 14 per cent except for the mining, farming, logging and fishing industries; and the retail and service sectors stand up, look at the minister and say, "What are we, chopped liver?" Why this increase in the retail and service sectors and not the others?

I suppose the minister will say it's because they want to encourage investment and employment in those particular sectors. I haven't heard those sectors complain that the reason

there's unemployment in this province, or the reason there's a decline in manufacturing employment, or the reason that a substantial proportion of our domestic demand for products is being met by imports is because of the taxation level in Ontario.

I haven't heard them say that. Perhaps the minister has some information for us. Perhaps when the minister replies he could tell us what information he has that the taxation level in the province of Ontario is causing our economic problems. Otherwise presumably he wouldn't be discriminating against the retail and service sectors and saying they have to pay 14 per cent; but that mining, farming, logging and fishing do not. We are saying to the minister we don't believe that and we could quite comfortably have a corporation tax level of 15 per cent across the board in the province of Ontario.

The member for Brant-Oxford-Norfolk (Mr. Nixon) commented about the tax on the profits of the banks in this country. They really are remarkable. They must be inspirational to the free enterprisers in Ontario. I looked at a story in the *Globe and Mail* of April 21 of this year—I think that's the one the member was referring to—about banks skirting the embarrassment of applying for tax refunds. They paid a tax that averaged 20 per cent. Does the minister know what his increase in the tax on banks is going to do? It is going to raise \$5 million. That's \$2,000 for every \$1 million of capital. The minister really shouldn't be so savage, he really shouldn't be so tough on the banks!

[4:00]

What a lot of nonsense! The banks have had an unparalleled record of profit increases in this country and he is afraid to tackle them. Given the level of tax at which they pay—the Royal paid at a rate of 14.5 per cent; the Commerce, 14.4; Montreal, 24.3; Nova Scotia, 26; and Toronto Dominion, 23.7—it is strange that he is allowing one of the most profitable sectors in the economy to get off with that kind of tax rate. He certainly doesn't allow individuals to do so.

When I was doing some reading on corporation tax, I came across a document put out by the Department of Finance in Ottawa dated November 1978, so I would think its contents are most appropriate today and they make some rather interesting comments. They do some comparisons with other jurisdictions.

The document is entitled, *The Tax Systems of Canada and the United States: A Study Comparing the Levels of Taxation*

on Individuals and Businesses in the Two Countries. On page 40 of that report, they talk about corporation taxes as a percentage of profits. That's a pretty straight, easily understood percentage they are talking about, and it runs from 1972 through the year 1977. In Canada in 1972 corporation taxes as a percentage of profits—these are unadjusted—were 36.2 per cent, United States, 41.1 per cent. In 1973, 32.8 per cent in Canada, 40 per cent in the States. In 1974, 35.1 per cent in Canada, 38.7 in the US.

Mr. Nixon: Average?

Mr. Laughren: Yes. In 1975, 37.8 per cent in Canada, 38.8 in the States. In 1976, 36.6 per cent in Canada, 39.1 in the States; and in 1977, 33.4 per cent in Canada and 39.4 per cent in the United States. Those are the corporation taxes as a percentage of profit, so it's clear that we are competitive with the United States in case the minister is going to stand up and tell us that the reason he's doing it is not because of the other provinces but because of competition in the United States. The evidence is clear.

They go on to say on page 48 of the report that in comparing firms in Ontario and Ohio the difference in tax rates is some 10 percentage points of book profit in Canada's favour. The difference arises from the combined effect of the more generous capital cost allowance system, including the two year write-off on machinery and equipment used in manufacturing and processing—the minister will remember that write-off—the low rate of tax on manufacturing and processing income, and the three per cent inventory deduction, which together more than offset the higher value of the investment tax credit under the US tax system, and the ability of the US firms to use LIFO—which I gather is last in, first out accounting—for tax purposes.

In retail trades also, where the minister is raising the level, the tax rates are lower in Canada. The generosity of the CCA—the capital cost allowance system—and the lower statutory tax rate in Canada more than offset the value of LIFO relative to the three per cent inventory deduction. However, the differences in tax rates that do emerge are not very significant in this case, especially when it is noted that the variation within the countries is at least as large as between the two countries.

Then there's a chart provided; this is "Taxes as a percentage of book profits," divided into manufacturing and retail trades. It's the manufacturing area that was

one of the sectors the minister was attempting to protect.

In Canada, taxes as a percentage of book profits—in Alberta, 30.2 per cent; in Manitoba, 32.7; and in Ontario, 31.9. In the United States they are considerably higher—in Texas, 37.6; in Ohio, 41.3; and in New York, 43.1. Taxes are a much higher percentage of profits in those states than in Ontario. I don't think the Department of Finance is trying to embarrass the Ontario government with these statistics. I suspect they are quite objective.

For retail trade, in Alberta the taxes as a percentage of book profits were 41.5; in Ontario, 43.2; in Manitoba, 45; while in the United States, in Texas, they were 40.1; in Ohio, 43.6; and in New York, 45.4. Those were for typical large corporations in 1978.

Hon. Mr. Maeck: Could I have a point of clarification?

Mr. Laughren: Yes.

Hon. Mr. Maeck: On the first figures the member gave, when he was comparing percentages with Ontario and the United States, was that the net figure or was that gross? Could he give me that again?

Mr. Laughren: I will try. It is a bit thick for me. The first set I gave was aggregate corporation income tax, as a percentage of corporation profits. I am not sure I can answer the minister's question, but perhaps the small print in the document, *The Tax Systems of Canada and the US*, would provide the information for the minister's staff at least, if he wants to pursue it further.

Those were typical large corporations. If we look at the small manufacturing corporations at book income of different levels, for \$20,000 the taxes as a percentage of book profits in Ontario were 13.4 and in the United States, 18.9. That is using Ohio as the base in the US and Ontario as the base in Canada. For book income of \$50,000, it is 13.4 per cent in Ontario and 19.4 in Ohio. For \$100,000, it is 13.4 in Ontario and 27.4 in Ohio. That is in the manufacturing sector.

In retail trade, it is 22 per cent for \$20,000, \$50,000 and \$100,00 levels of book income in Ontario. In Ohio it is 22.3, 22.8 and 29.9, respectively for those three levels of book income. The minister can see in every single case, even for the small business sector, the percentage of taxes on book profits are lower in Ontario than in those jurisdictions. The minister should rethink some of his talk about

being competitive with other jurisdictions. We understand very well the need to have a competitive system in this province.

In the conclusions of the federal department report, they say: "The paper leads to the general conclusion that the Canadian tax system compares favourably with that in the US. In aggregate, while tax revenues of all levels of government were 1.8 percentage points of gross domestic product higher in Canada than in the US in 1977, Canadians had the benefit of publicly provided health care services and emigrant transfer payments in the form of family allowances and old age security pensions. The dollar value of these three programs, which do not have any counterpart in the US, was about \$11.7 billion measured in terms of government expenditures in 1977-78 and far exceeded the difference in relative tax levels between the two countries."

They go on further to say: "Aggregate personal income taxes, social security taxes levied on persons and estates, and gift taxes are lower in Canada as a percentage of personal income than in the US. This conclusion applies in each of the years 1972 to 1977, with the exception of 1975, when a temporary tax cut was in place in the US. In Canada, personal income taxes are a higher percentage of personal income than in the US, but this is more than offset by lower levels of social security and estate and gift taxes. Canada and Switzerland are the only"—get this—"two OECD countries without a federal estate and inheritance tax."

I won't debate that because we are talking about corporation taxes, Mr. Speaker, and you would rule me out of order very quickly. Nevertheless, the point is made, and we will be talking to the Treasurer about that when we get to his abolishment of the succession duties.

Further, the report states: "Effective corporation income taxes, which are taxes as a percentage of corporation profits, have been consistently lower in Canada than in the US over the 1972-77 period. In 1977, the overall effective corporation tax rate in Canada was some six percentage points lower than in the US. This advantage in favour of Canada results from both the more generous depreciation allowances and write-offs and the lower statutory tax rates. In both countries the effective rates of corporation income tax have fallen over the period."

Did the minister hear that? In both countries, the effective rates of corporation income tax have fallen over the period 1972-77. The minister shouldn't be so bashful about going

up two points. It would not wreak destruction upon the private sector of Ontario.

Further in that report: Most industrial sectors enjoy lower effective corporation income tax rates in Canada than in the US. For the manufacturing sector, the effective tax rate was over 11 percentage points lower in Canada than in the US—31.7 per cent of Canadian profits versus 43 per cent in the US in 1973, the latest year for which data by sector are available."

There is evidence that we are not out of line with other jurisdictions south of us. The reason we have a high unemployment rate and the reason we have a devalued dollar is not because of the level of taxation of corporations in Ontario or anywhere else in this country. The minister should know that the reason we have high unemployment in this country is because such an enormous proportion of our domestic needs are met by imports. That's one of the main reasons. We are not producing our own goods; a \$12-billion deficit in manufactured goods last year, an all-time high. And the Treasurer has the nerve to stand up in this Legislature and say that we are looking forward to a great future, that there was a spurt in manufacturing employment in 1978. What a lot of nonsense.

We have had a disastrous decade in manufacturing employment. As a proportion of total employment, manufacturing is lower than it perhaps has ever been, and the Treasurer has the nerve to stand up and hand us that kind of fogbound line. It really is a lot of nonsense.

The minister has missed the mark in his attempt to revitalize the Ontario economy. I understand that this is the Treasurer's move, not the Minister of Revenue's. But on the other hand the Minister of Revenue has an obligation not just to implement the programs of the Treasurer but to understand them, and hopefully to make some arguments in cabinet that this won't solve any of our problems, and that there is tax room there in the corporate sector, particularly in the banks.

The minister can't justify what he has done by increasing the level of taxes on the banks by \$5 million. That's downright silly.

Mr. Makarchuk: It isn't even petty cash for them.

Mr. Laughren: I want to say, before I sit down, that there are people on the government side who look upon New Democrats as people who would tax the private sector until we did them damage. Perhaps it needs to be said that we look upon corporation taxes as a way in which to extract from the private

sector what we think is equitable. We understand that when we form the government in Ontario, whether it is in 1980 or thereafter, we require a healthy private sector if we are going to implement the plans we talk about so passionately.

We understand that any political party in a mixed economy that would destroy the private sector is not talking good sense. So we would implement tax changes, whether it be at the corporate level or at the personal level, that tied in with our idea of an equitable society, a competitive society; because we know it is utter nonsense to have a million people unemployed in this country—319,000 in Ontario.

[4:15]

It's dumb to sit and acquiesce, as the Treasurer has done, with that kind of unemployment staring him in the face. He has done nothing about it and that's irresponsible. Raising the level of corporate tax from 13 to 15 per cent across the board is a responsible act. It would provide us with much-needed revenue. It would not make Ontario industry uncompetitive with either other provincial jurisdictions or United States jurisdictions.

Besides, the level of taxation is not the source of our economic problems, either in Ontario or elsewhere in Canada. Perhaps the minister should think about that. When he responds I think he has an obligation to tell us why he did not raise the level—why the level is not going up to 15 per cent. If he wants to be completely the lackey of the Treasurer he could stand up and say, "It's the Treasurer's policy, not mine." But if he wants to show that he has some opinions of his own—not just those of the Treasurer or his staff—perhaps he could explain to us why he has raised corporation taxes in this way.

Hon. Mr. Maeck: Mr. Speaker, I will try to reply to the members in the order in which they spoke. The member for Hamilton Mountain was the first speaker and one of the major points he made was that he felt all the taxes in this budget were directed towards the consumers. I guess when one adds up any tax in any program, in the final analysis it's always the consumer who pays—even if it's a manufacturing situation or a farming situation or logging or mining or whatever it might be. The final product is purchased by the consumer who obviously pays the tax.

The member for Hamilton Mountain suggests that the corporations pay only corporation income tax. That seems to be the whole theme of everyone who has spoken; they

forget about all the other taxes corporations pay. Sure they pay corporation taxes, but they also pay gasoline tax, they also pay fuel tax, diesel tax, they pay sales tax on any purchases they make, they pay 70 per cent on the average towards the OHIP premiums.

An hon. member: Is it passed on or deducted, Lorne?

Hon. Mr. Maeck: These are all costs to the corporation that these members never think about. They just think about the one tax.

Right now the average corporation's tax in Ontario is 50 per cent—the total of federal and provincial taxes. They're paying a 50 per cent tax. It's not just the provincial tax they pay.

Mr. Makarchuk: That's not what Eric Kierans said.

Hon. Mr. Maeck: I'm reading from my chart—of course I am. Canada, 36 per cent; and if you want to add 14 or 15 per cent, which is the tax we're imposing, I think in my figures it comes to either 49 or 50 per cent. That's the information I have before me. The member can argue as to whose information is right. I can argue that the information the member gave wasn't correct, but I am giving what I perceive to be honest information.

Mr. Laughren: That's humbug.

Hon. Mr. Maeck: Did the member's staff tell him that? I would suspect his staff prepared most of the things he read into the record today. Just to let everybody know that we all have staff in the background—I wouldn't want the public to assume for one moment that only the ministers have staff.

Mr. Makarchuk: The trouble is you've got so many you're tripping over them.

Mr. Laughren: We have a very good staff.

Hon. Mr. Maeck: The member for Erie again mentioned the fact that consumers were the ones who are paying all the taxes, that all the directions of this budget were directed at the consumers, and he suggested perhaps it would be a good idea if there would be one corporations tax administered by the federal government. But I would remind him that it was only about two or three years ago when we brought in Bill 88, the Corporations Tax Act, which is almost completely consistent with the federal government's corporations' tax, with a few exceptions.

We retained those few exceptions because if we were to have one corporations tax this government would have no thrust at all as to

which direction it wanted the economy to move through taxation. We would be completely at the mercy of the federal people who, I think the honourable member has to admit, have not done that well.

Much has been said about the banks and the fact that we are only going to collect an extra \$5 million. That is quite true; however, I think it is a step in the right direction. It is a 33.3 per cent increase.

Mr. Makarchuk: It isn't a giant step for mankind.

Hon. Mr. Maeck: No, it is not a giant step. But it is one step further than we were in the last budget. So we are looking in the right direction.

I cannot say I disagree that more money could not be found from the banks. I think that is probably quite true. But the thrust of this budget is not in that direction at this point, except for the extra \$5 million.

Mr. Charlton: This is a bank robbery in reverse.

Hon. Mr. Maeck: The member for Brantford mentioned that small businesses need help. I could not agree more. Small businesses do need help. The tax rate we are suggesting here—10 per cent—I think is a very reasonable rate. But several times in debates he has mentioned possible loopholes or leakage as far as taxing foreign companies is concerned. I think we are doing our very best to accommodate that situation and to correct it.

As I have said before, if he has any information about any particular company, we would certainly be happy to look into it. But I am still waiting for information about that company. I would certainly be happy to direct staff to look into it. The laws are in place, and I think we can enforce those laws—

Mr. Warner: Start with Inco.

Hon. Mr. Maeck: Why doesn't the member resign?

Mr. Warner: You'd be disappointed.

Hon. Mr. Maeck: The member for Brant-Oxford-Norfolk talked a great deal about banks. I would like to remind him that if the federal government had passed Bill C-37, and if it had not died on the Order Paper, there might have been a greater amount of tax collected, and the banks would not be showing the excessive profits they are showing.

Mr. Makarchuk: Do you think the Tories would have supported it?

Hon. Mr. Maeck: Yes, they would have. Definitely. As a matter of fact, if the Tories

are elected, that is one of the first things they will do, so they tell me.

That is one of the reasons there is a loophole in the present legislation that is permitting the banks to avoid taxation.

The member for Nickel Belt suggested I should have more input in the discussions. I have to inform him that I do have input into these discussions.

Mr. Laughren: That's all the worse.

Hon. Mr. Maeck: As the member for Nickel Belt knows, we win some and we lose some in any debate. We do not always win every debate. However, in this particular instance—

Mr. Laughren: You either lost them all or you're as bad as he is.

Hon. Mr. Maeck: No, I do not think so. I think this is a fairly good budget and a fairly good bill.

Mr. Warner: Sure, if you're the Sheriff of Nottingham.

Hon. Mr. Maeck: The whole thrust of the difference between the 14 and 15 per cent rates, is simply that we want corporations in some areas to show profits because they are the ones that actually reinvest in the economy.

Mr. Warner: We know where they reinvest: Indonesia, Guatemala—

Hon. Mr. Maeck: And they are the ones, through reinvestment, that create the jobs that everyone wants.

Mr. Laughren: They are not doing it here. They've had high profits here, but they're not investing them here.

Hon. Mr. Maeck: Of course they are. The honourable member has heard the figures on the employment that has been created in Ontario. I do not have to repeat those; the Treasurer mentioned them not very long ago. Where does my friend think those jobs came from? A great percentage of them come from the manufacturing sector.

Mr. Makarchuk: Most of them came from small business in services—not manufacturing.

Hon. Mr. Maeck: No. Not according to the last figures.

Mr. Samis: Look at the record of the past seven years.

Hon. Mr. Maeck: Mr. Speaker, I have nothing further to add to the debate. I think I have answered most of the questions; some of them were rather detailed, and I am not going to go into those kinds of details.

Mr. Laughren: I have one word to describe what the minister has just said.

Hon. Mr. Maeck: What is the word?

Mr. Laughren: Humbug.

Hon. Mr. Maeck: Humbug? Okay. I knew my friend wanted to get on the record.

The House divided on Hon. Mr. Maeck's motion for second reading of Bill 59, which was agreed to on the following vote:

AYES

Ashe, Auld, Belanger, Bennett, Bernier, Birch, Blundy, Bradley, Breithaupt, Campbell, Conway, Cunningham, Drea, Eakins, Eaton, Epp, Gaunt, Gregory, Hall, Havrot, Hennessy, Hodgson, Johnson, J.

Jones, Kennedy, Kerr, Kerrio, Lane, Leluk, Maeck, Mancini, McCaffrey, McGuigan, McNeil, Miller, F. S., Miller, G. I., Newman, B., Newman, W., Nixon, Norton, O'Neil, Peterson.

Ramsay, Reed, J., Reid, T. P., Riddell, Rollins, Rotenberg, Rowe, Roy, Ruston, Scrivener, Smith, S., Stephenson, Sterling, Stong, Taylor, G., Taylor, J. A., Timbrell, Turner, Van Horne, Villeneuve, Walker, Watson, Wiseman, Worton, Yakabuski.

NAYS

Bounsall, Breaugh, Bryden, Cassidy, Charlton, Davidson, M., Davison, M. N., di Santo, Duszta, Foulds, Germa, Gigantes, Grande, Isaacs, Johnston, R. F., Laughren, Lawlor, Lupusella, MacDonald, Mackenzie, Makarchuk, Martel, McClellan, Philip, Renwick, Samis, Swart, Warner, Wildman, Ziemba.

Ordered for committee of the whole House.
[5:00]

House in committee of the whole.

MOTOR VEHICLE FUEL TAX AMENDMENT TAX

Consideration of Bill 54, An Act to amend the Motor Vehicle Fuel Tax Act.

Section 1 agreed to.

On section 2:

Mr. Chairman: Mr. Charlton moves that section 3(1) of the said act, as set out in section 2(1) of the bill, be amended by deleting all the words after "equipment" in the fourth line so that the said subsection 1 will read: "Every purchaser shall pay to the Treasurer a tax at the rate of 5.9 cents per litre on all fuel received or used in Ontario by him to generate power in a motor vehicle other than railway equipment."

Mr. Charlton: Mr. Chairman, I think we already raised this issue during the second reading debate. This tax on railway equipment is a new tax being imposed by the gov-

ernment, and in our view it is not only an unnecessary one but also a tax that will affect public transit right across Ontario.

This government probably had a very justifiable reason for excluding railway rolling stock in the past, and in our view that exclusion should be continued. We do not want to see the tax added. It is going to cause problems which, for what this tax will collect, we do not think are worthwhile.

Hon. Mr. Maeck: Mr. Chairman, we're not prepared to accept this amendment. It is part of a total package in this budget presentation and for obvious reasons, it's necessary to collect this tax in order to meet our commitments to the people in the province.

I would remind the members that this is the only province, with the exception of Newfoundland, that has not imposed this tax. All other provinces do have it. Newfoundland doesn't have it simply because they don't have any railways. So I think we're being consistent with other provinces in imposing this particular tax.

Mr. Chairman: All those in favour of Mr. Charlton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 2 agreed to.

Sections 3 to 5, inclusive, agreed to.

Bill 54 reported.

LAND TRANSFER TAX AMENDMENT ACT

Consideration of Bill 57, An Act to amend the Land Transfer Tax Act, 1974.

Mr. Haggerty: Mr. Chairman, I want to raise a question with the minister that relates to a suggestion made by my colleague, the member for York Centre (Mr. Stong).

Mr. Chairman: On which section?

Mr. Haggerty: It relates to the date on which the increase in land transfer tax will come into effect. He suggested that the minister should consider exempting those transactions which took place prior to the announcement of the tax increase and include those following the date under the new tax regulations.

Hon. Mr. Maeck: May I make a statement? I did give that matter some consideration and had staff look into it in detail because I had some sympathy for the proposal. But we found that if we accepted that sort of proposal, we would have the doors open for abuse simply because anyone could backdate

a sale contract and we would have no way of controlling it.

The other reason, of course, is that it has been historical in this province and in most jurisdictions that when a budget comes down and the tax is announced, it becomes effective on that particular date.

For those reasons, particularly the fact it would create quite a loophole, we have decided we shouldn't proceed with an amendment in that regard, although I do have some sympathy for the young people who might have been in the process of buying a house when the tax came in and who may have signed an offer to purchase. My understanding is that offers to purchase could go back as far as 30 days and about 1,000 transfers a day go through the registry office, so we're talking about quite a complicated system.

Had we gone that route we would have had to go to a rebate system, because some of them, obviously, have already been paid and it would have cost more money to refund the money than what would have actually been collected. So for those reasons, we decided not to move on that.

Mr. Chairman: On section 1. Mr. Charlton moves that section 1 of the bill be amended by adding thereto the following subsection:

"(3). Clause (d) of subsection 1 of the said section 1 of the act is amended by adding at the end thereof, 'but does not include any building used solely for residential purposes.'"

Mr. Charlton: Mr. Chairman, this is another issue that we raised during second reading debate on the bill. One of our major objections to the land transfer tax is that it was intended in large measure to deal with areas of land transfer in terms of change of use, speculation and so on.

In Canada, and more specifically in Ontario, in the past seven or eight years, there have been huge increases in housing prices, the restricted ability of average- and low-income people in this province to buy housing and all of the other things that have gone on in conjunction with real estate prices: interest rates, increased legal fees and so on. This is just another tax that effectively goes up with the price of housing, and it is one of those taxes that is a front-end load on purchasers of housing in Ontario.

This amendment is an attempt to deal in part with the problem, because we could not effectively find a way in the bill as it was presented to deal with the whole ques-

tion of land transfer on residential housing in total. Because section 1 was before us, we felt it incumbent on us, as we did initially, to oppose the increase altogether and, secondly, to attempt to find whatever way we could to reduce the burden on the purchasers of residential housing. That is what this amendment deals with. That is the direction that we feel this government should be going in an effort to help alleviate the problem of people's inability to afford housing in Ontario at the front end.

We have gone into all kinds of other programs in this province and in Canada to subsidize housing, to subsidize interest rates and to subsidize everything else we can think of. But these systems have not been working, and they have led us into a position today where literally thousands of people are quit-claiming on their government-assisted housing. We have not dealt with the real problems of purchasing of residential accommodation. We have not dealt with the price of housing in any effective way. We have not dealt with any of the things that affect people at the front end, where they have to get in. We have not dealt with interest rates. Now we are turning around and increasing land transfer taxes. This amendment is our effort to try to reduce that burden on purchasers of residential housing in Ontario.

Hon. Mr. Maeck: Mr. Chairman, I certainly can sympathize with this particular amendment.

Mr. Laughren: All the people of Ontario need is sympathy from the minister.

Hon. Mr. Maeck: Let me give my explanation before my friend condemns me too much.

We have done some work on this amendment to see what would happen. Assuming that 85 per cent of the transfers would be residential—and that is based on an assumption taken from Ontario Real Estate Association data and the Ministry of Revenue assessment division—the added cost of appraisal, which each resident would obviously have to have to find out what his property was worth in comparison with another house, would average about \$100. That's about the average cost to have an appraisal done on one's property today.

[5:15]

If that were to take place, if we were to accept this amendment, it would cost almost as much money for people to have an appraisal done to get a breakdown on what part would be taxable and what wouldn't

be taxable. I don't believe they would save any money on it.

Mr. Charlton: You don't trust your own ministry. You've got appraisals on all those properties with the land and building breakdown already in your assessment office.

Hon. Mr. Maeck: No, we haven't. Of all people, you should know what condition some of those appraisals are in. You've worked in that ministry.

Mr. Samis: The man in the field just told you, that you had them.

Hon. Mr. Maeck: As 51 per cent of the transfers are below \$45,000 in value, this amendment would benefit only about one half of the total number of home purchasers and would be of little or no appreciable benefit at all to the low-income people.

We have looked into the situation. As I said, I have some sympathy for this particular amendment, but I don't see where it would be of any value to us.

Mr. Charlton: The minister's comments about the extra cost of an appraisal are just a lot of hogwash. The minister may be correct to the degree that the information his Ministry of Revenue already has in terms of appraisals on the total properties are a little bit out of date because they are presently at 1975 market value, heading for 1978 market value. But the assessment division of his own ministry is studying current sales on a daily basis. It would take them a matter of hours to come up with a fairly accurate residential land value. Forget about the buildings. If the amendment passes, we're only looking at the land. An effective current market value for land in a municipality anywhere in the province would take a matter of hours to work out. There is no need for people to have to have an appraisal done to separate the land and the building. The data are already there in the ministry. It's just ridiculous to oppose this amendment on those grounds.

Hon. Mr. Maeck: I also oppose it on monetary grounds. There is a revenue loss here that I must account for as well. If we take this amendment into consideration, along with the other amendment that you will propose later on this same bill, we're talking about \$59 million. That's how much it's going to cost. That's the other side of that coin, and we are not in a position to take that sort of a loss.

Mr. Laughren: Maybe you could have a succession duty tax.

I simply can't let that kind of statement go by. What we're really seeing is the minister's true colours now. He is talking

about this as strictly a revenue bill because any of the other arguments he used don't stand up to the face of knowledgeable criticism.

Hon. Mr. Maeck: Of course, it's a revenue bill. Nobody said otherwise.

Mr. Laughren: The minister tried to flim-flam us that it had to do with the cost of assessing.

Hon. Mr. Maeck: No, we really looked into it.

Mr. Laughren: I believe you looked into it, but I don't think that your arguments for rejecting it are valid. The only argument you've got is the revenue one. Don't talk to us about revenues when you've abolished succession duties, for heaven's sake.

Mr. Chairman: All those in favour of Mr. Charlton's amendment to section 1 of the bill will please say "aye."

All those opposed will please say "nay."

In my opinion, the nays have it.

Amendment stacked.

On section 2:

Mr. Chairman: Mr. Charlton moves that section 2(1) of the said act be amended by striking out "\$45,000" in the second line of section 2(1)(b) of the bill and substituting therefor "\$70,000."

Mr. Charlton: This amendment emanates from something we see as particularly unfair and discriminatory in the Land Transfer Tax Act.

Mr. Laughren: That's why the minister likes it.

Mr. Charlton: The government has realized to some degree the problem in raising the ceiling on the lower level of tax on land transfer. What in effect it is forgetting or leaving out in this amendment to the act, which we are trying to deal with in our amendment, is the fact that in the high cost areas of housing in Ontario, such as Metro Toronto, Mississauga, Hamilton and a number of other major centres in this province, the person buying an average home which in his municipality is priced well above \$45,000, is buying a home no different, no more elaborate and no more expensive in terms of which he is looking for to live in than the same house in municipalities in this province, which might be priced below \$45,000 because of the land value and because of the lower speculation that has gone on in that area, largely because of its distance from the high priced area in Metro Toronto.

We have a situation where a house in Metro Toronto priced at \$70,000 and an identical house in Hamilton priced at \$55,000 are both identical to a house in—

Mr. Haggerty: In Fort Erie, they are \$45,000.

Mr. Charlton:—Fort Erie or wherever at \$25,000 or \$35,000 or \$40,000. The minister is going to tell me that the wage earners in Metro and the wage earners in Hamilton earn far more than the wage earners in Fort Erie, or Sudbury, or a number of other areas of the province. There is some differential, but in a large degree we have two factors and people are being penalized twice.

It doesn't matter whether you have a higher rate on part of the purchase price or not. The guy who buys the \$70,000 home here in Metro, even if he pays the low rate on all \$70,000, is still going to pay more land transfer tax than the guy in Fort Erie who is buying the same home for \$35,000. That argument doesn't hold water. You are penalizing twice for the high cost of housing in Metro by putting a higher rate of taxation on the last \$25,000 of the purchase here or the last \$15,000 of the purchase in Hamilton. You are putting on a higher rate.

That's not effective and that's not fair in terms of assisting people in this province to buy housing. It's double jeopardy right down the line, and it isn't even wholly true that wages in Metro are so much higher than anywhere else in the province. In your own ministry and in the civil service, contracts are negotiated province-wide and everybody gets the same. There are 60,000 of those people and their families out there somewhere. It's the same in a lot of other sectors as well. In some sectors there are some differentials, but they are not all that great. The fact that the house price is higher here, so the rate of tax they pay is going to be higher anyway, whether there's a higher rate over \$45,000, is inconsequential. You are still going to tax them more here in Metro where the wages aren't that much higher. The wages in Metro certainly aren't as much higher than the wages in Fort Erie as the housing prices are. This is penalizing people doubly, and double jeopardy just isn't acceptable to us as a form of taxation in this province.

Hon. Mr. Maack: Mr. Chairman, we, of course, reject this amendment. I agree with some of the things the member for Hamilton Mountain is saying. There is a differential in different areas as far as the cost of housing is concerned. But I think we have moved a little bit in the right direction; we have moved up from \$35,000 to \$45,000. I know those members opposite would like to see us

go higher, but we have budgetary demands that we raise a certain amount of money. There is no question this is a revenue source and therefore we must proceed with the program as we have drawn it up.

I do insist, though, that the cost of housing does have a bearing on income to a great degree within this province. If you are living in a low-income area, a house in Toronto or Hamilton would certainly be valued at less money than another of the same type in a better area; but people in those low-income areas would be making less money as well, and therefore could ill afford to pay the same amount.

I feel there are other circumstances that can be taken into consideration and perhaps they will be in the future, but at this time we are only prepared to go as high as \$45,000.

Mr. Laughren: Just briefly in support of my colleague from Hamilton Mountain, who has put forth some very responsible and reasonable amendments to this bill. These are amendments the minister could accept if he wasn't so hidebound and inflexible. What I don't understand is how the Minister of Housing (Mr. Bennett) can sit there and have the Treasurer and the Minister of Revenue impose a housing policy because he has left a vacuum there. I am amazed the Minister of Housing would acquiesce and have somebody else making housing policy for him. There is no doubt this is as much a housing policy as it is a source of revenue for the consolidated revenue fund.

Mr. Chairman: All those in favour of Mr. Charlton's amendment to section 2(1)(b) will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Sections 3 to 5, inclusive, agreed to.

RETAIL SALES TAX AMENDMENT ACT

Consideration of Bill 58, An Act to Amend the Retail Sales Tax Act.

On section 1:

Mr. Chairman: Mr. Charlton moves that section 1(1)(a) of Bill 58 be amended by striking out all the words starting with "including" in the first line, up to and including "but" in the sixth line, and that the following words be substituted therefor: "but not including community antenna television, cable television and pay television and . . ."

[5:30]

Mr. Charlton: This is a new tax that is being imposed not just an increase as is the case in most of the other areas in this budget. The government is moving into a new field and, as some of my colleagues have mentioned, when you go into a new field you never get out of it. Not only that, but the tendency is to start depending on it for increases over and over again.

This particular area of television, specifically cable television and community antenna television in those communities where that particular device is used to get television signals, is one which is going to affect most dramatically all of the wrong people in the province, such as senior citizens, and all of those for whom television may be their only small pleasure and entertainment. They may live in communities—and the minister tried to throw this one back at me last week in the debate on second reading—where they can't take advantage of some of the tax breaks in the budget because they have no theatre at all; neither live theatre nor movie theatre. Their television may be the only form of visual entertainment in the community, yet on the one hand the minister, in other sections of this bill, is increasing the tax exemption for theatre-goers, but, on the other is adding on a tax for those in the province who may not have access to theatres at all.

As I mentioned, it also affects a number of other segments of society which, for economic reasons, may have an old black and white television as their only form of effective and regular entertainment because it's all they can afford. Now, it is going to be taxed. It is just not socially acceptable in the kind of cost economic situation with which the people of Ontario are presently confronted.

Mr. Samis: Very briefly I would like to support the comments made by my colleague from Hamilton Mountain. I have already spoken on this bill on second reading and emphasized that I think, first of all, it's a very inequitable tax; second, that I am sure the tax is going to be increased within the next few years; and, third, that this really hits at the average working class family which relies much more heavily on television for entertainment than other sources of entertainment.

In terms of the \$7 million being raised by the telecommunications tax, I would like to ask the minister what percentage of that \$7 million is going to come from the cable-vision portion of this tax? I think my colleague's amendment is an excellent one because if it's going to be \$2 million, \$3 million, \$4 million or \$5 million, sure as hell we

can get that money from the banks and they can afford it. I know the people in Ontario would support a proposal to impose a \$5 million or \$3 million tax, two-tenths of one percentage point, I think, which would make up the balance if we were to pass this amendment which, to me, is eminently reasonable.

Hon. Mr. Maeck: Mr. Chairman, to answer the last question first; this package will generate up to \$30 million, not \$7 million. I think it's \$7 million for cable but the total package is \$30 million. So it does generate some revenue.

In our earlier debates I indicated that I have regard for the senior citizens and other people on low incomes in this province, just as members opposite have. That isn't just their bailiwick; we all have that feeling. But the fact is we're talking about an average of 46 cents a month for cable television and, if it happens to be an area where they have bulk service it will be about 37 cents a month. We're not demanding a great amount of money from anyone on this particular increase.

Mr. Samis: Two-tenths of one percentage point at the banks.

Hon. Mr. Maeck: There's no question that at some time in the future the tax could be raised. It is a sales tax; if the sales tax is raised provincially, this tax would be raised. But I see no reason to believe there could be a special rate of tax for cable television other than the rate that would apply across the province for general sales tax.

Mr. Laughren: The minister should realize that saying he has some sympathy with our amendments on fuel tax; sympathy with our amendments on the land transfer tax; sympathy with our amendments on the retail sales tax, wears a little thin after a while. As my colleague, the member for Hamilton East (Mr. Mackenzie) interjected, actions speak a lot louder than words. He has indeed imposed a tax here that need not be imposed.

When you look at the \$7 million the minister is getting at this point in time, Mr. Chairman, it is a petty tax, a petty, mean-minded thing for him to do. What bothers us more than the actual amount is that he's opened the door, and we can see in the years to come that he'll be taking a bigger and bigger bite out of this part of the services used by the people of Ontario. That's why we feel very unhappy about it and why my colleague, the member for Hamilton Mountain, has put in the amendment and why we intend to vote against the minister on it.

Mr. Chairman: All those in favour of Mr. Charlton's amendment to section 1(1)(a) will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Section 2 agreed to.

On section 3:

Mr. Chairman: Mr. Charlton moves that paragraph 70 of section 3(4) of the bill, which amends section 5(1) of the act, be amended by adding at the end thereof: "and provided that such furnishings or food preparation equipment were manufactured in Canada."

Mr. Haggerty: Point of order, Mr. Chairman: I don't have a copy of that amendment. I've got the other amendment.

Mr. Charlton: I can send you over a copy, but the copy was given to your House leader this afternoon.

Mr. Haggerty: I don't have it here.

Mr. Chairman: I'm sure the member can supply it.

Mr. Charlton: Mr. Chairman, on this amendment to the bill, given the kind of debate that's gone on in this House in the past couple of years about "buy Canadian," with the kind of talk we've had from this government in terms of stimulation to the economy—and obviously this particular section is intended to stimulate Canadian industry—why has this government neglected to ensure that this exemption would apply only to Canadian manufactured goods, to things manufactured in Canada, both furniture and equipment?

The minister stated during the second reading debate last week that the vast majority of furnishings and kitchen equipment presently being bought in this sector is Canadian. That's fine. He only said the vast majority though, he didn't say all. He certainly didn't say the situation couldn't change. Who knows what foreign companies may decide to take advantage of this tax incentive and drop their price a few percentage points in order to attract some Canadian buyers.

Why, Mr. Minister, if it's desirable to have Canadian buying in this sector, can't we guarantee it is going to be Canadian? Why is it good enough to say the bulk of it is Canadian right now? That's fine; but why don't we ensure it will stay that way? Why don't we ensure that whatever additional stimulation and additional buying is caused by this exemption will be in Canadian goods, with Canadian persons installing those goods?

This amendment seems not only very important to us as a first step in terms of

dealing with this kind of an approach in all the things this government does, but it seems also to be very eminently reasonable to us.

Hon. Mr. Maeck: Mr. Chairman, we covered this item in the debate on principle. I did indicate we could not accept this amendment. I did also indicate that a great majority of the furniture and appliances that will be exempt from sales tax through this section is Canadian, but my staff draws my attention to the fact that it's perhaps not the best thing for this province to use provincial tax as a sort of hidden tariff.

In line with Canada's participation in GATT and so on, I don't know whether we even have the authority to really exempt certain sections and then put a tax on something else just because it happens to be made in a foreign country. I don't know whether that's a fair assumption or not. It's one I'm not that familiar with, however it was drawn to my attention.

I have a further note that with the 1975 retail sales tax rebate on autos it was originally confined to Canadian cars but was ruled unconstitutional by the Attorney General. That is further information I have on it. If that's the case, obviously it's the best reason of all not to accept the amendment.

Mr. Charlton: Implement it and let it be challenged in the courts.

Mr. Roy: Mr. Chairman, I understand the intention of the amendment that is proposed by the member from the New Democratic Party. I think this amendment embodies sentiments one can understand and sympathize with. My concern about this amendment is the concern raised at the time of second reading of the bill. The whole way this paragraph 70 is going to be applied, along with the information bulletin you've supplied to people across the province, is going to be putting a heavy onus on the people in the retail industry in these products.

I want to speak about that, but I don't want to spend time on this amendment speaking about the difficulty in applying paragraph 70 on various items. This is not idle speculation, I have been receiving complaints about that. I have here a letter which I intend to refer to at a later time.

[5:45]

The ministry has put out a bulletin of items which will be exempt as long as they are used by people in the hotel, motel and hostel business; resorts, restaurants and so on; in other words to encourage the tourist industry. You run into difficulty with what equipment will be exempt and what will not

be exempt. It is going to be very difficult for people in that field selling that type of product to know that one item on the shelf is exempt while another item is not exempt. They are going to have to continually refer to the list.

Not only are restaurants going to be exempt, but clubs, delicatessens and snack bars located in certain areas are not going to be exempt. One can foresee a situation where an individual comes in to buy this equipment from the retailer and the retailer is going to have to find out what sort of business the individual is in. Over and above that, the retailer would now be faced with an additional burden of determining whether the equipment he is selling happens to be Canadian or to be made in the US or someplace else.

The onus on the retailer is going to be much too heavy to start with without having to put an additional onus on him. When taxes are originated by the Treasurer in this province, very often he doesn't think about the fellow at the other end of the line having to enforce it or do the bookkeeping for the ministry for certain items. I can see real difficulties in this type of amendment.

The minister was talking about another problem involving this amendment. When we are talking about agreements made between countries, the US, Canada and other countries, about tariffs, we have always taken the position that from a constitutional point of view it is not for provinces through their taxation or sales tax to be imposing tariffs on certain items. On that basis it can be a problem, although for political purposes back in 1975 the Treasurer of this province tried to do it in relation to motor vehicles. As I recall the reason he had at that time to extend it to all motor vehicles was partially constitutional and also because the opposition was asking why it should be restricted to only Canadian-manufactured cars.

I can recall there was an awful lot of pressure across the province, put on by dealers selling Japanese, German or other type cars. The tax imposed by the Treasurer at that time was some sort of a breach of tariff agreements and exchanges we had with various countries which were a part of the western world. I can see from a technical, legal and constitutional point of view where if we accepted this amendment there would in that sense be a breach.

I must say we in this party are in favour of encouraging Canadian business and encouraging the sale of Canadian products, but I am not sure we can do it through a

sales tax amendment as we do now. There are other ways of doing it without breaching the tariff agreements Canada has with other countries. I can see that being a problem.

For these reasons I think it would be very difficult to accept this amendment, although we think it makes eminent good sense. But, if we are going to be in breach of tariff agreements with other countries, I don't think we should be taking the initiative at this time.

Mr. Laughren: We are not going to divide the House on this particular amendment, but I think my colleague the member for Hamilton Mountain has made his point very well and, as the member for Ottawa East (Ms. Gigantes) says, his spirit is proper.

This government has done some very strange things when it comes to sales tax exemption. For example, the exemption on production machinery is really a dumb exemption. It is an expensive, dumb exemption which does not create jobs in this province and costs us an enormous amount of tax revenue every year because of the simple fact that a lot of that machinery is produced elsewhere. All you are really doing is encouraging imports. Can you imagine encouraging imports with a \$12 billion deficit in this country on manufactured goods? That's what you are doing.

Hon. Mr. Maack: We are trying to encourage purchasing.

Mr. Laughren: I know what the purpose of this bill is, but I can tell you, you need to take a long look at exemptions and what they are really going to do. Because of his statements, I think the minister should table the documentation indicating that the majority of the things that will be purchased as a result of this exemption are indeed manufactured in Canada. Presumably the minister has some documentation to substantiate his remarks that most of these products are made in Canada anyway. I would request that the minister table with the House and send over to the two opposition parties any documentation he has on this. I'm sure he wouldn't stand up and just make the statement. He must have some documentation. I would urge him to do that.

What the government really has to do is start talking about replacing the enormous amount of imports which satisfy domestic demand in the province of Ontario. It hasn't done that. The government has run around putting little red tags on merchandise in stores that say "Shop Canadian," without really doing anything substantial about ensuring that an increased proportion of our

manufacturing goods is produced in this province. That's not this minister's responsibility, but his government's policies really are bankrupt in this regard.

Finally, I really would appreciate it if the minister would document his remarks that most of these goods are produced in Canada anyway.

Hon. Mr. Maeck: Regarding the last request, I'm not sure whether there are any documents I could give you.

Mr. Laughren: You just have a gut feeling.

Hon. Mr. Maeck: No, not at all. I must tell you that at one point in my lifetime I was in the furniture business. I happen to know that most of the hard furniture that is sold in the province of Ontario is made in Quebec. I happen to know because I was in the business.

Mr. Haggerty: It was made in Japan.

Hon. Mr. Maeck: I should tell you also that I was in the appliance business. I happen to know from my personal knowledge that most of the stoves and grills and all of the things that are in restaurants are made in Canada. My staff may have some supporting documents. If there are I'd be happy to give them to you. I have been in the business and I do know from personal knowledge on that particular item.

Mr. Laughren: I would just remind the minister that I don't know how long ago he was in that business, but he's been in this place now for almost eight years. I was just doing some reading on one sector, namely mining machinery, where the picture can change so dramatically and so quickly in terms of the amount we import versus the amount produced here that what he may have felt 10 or 15 or 20 or 50 years ago—I don't know how long ago the minister was in the business—may not be appropriate anymore. Really what the minister is saying is that he just has a gut feeling. I think you have an obligation to substantiate your remarks.

Hon. Mr. Maeck: That's not quite so.

Mr. Laughren: That's what you're selling us.

Hon. Mr. Maeck: Let me have a little rebuttal here. I'm observant; I go into hotels and motels and so on and I have a look at the furniture that's there. I know where it was made. I wasn't born yesterday.

Mr. Laughren: Is the minister refusing to document his remarks that the majority is produced in Canada?

Hon. Mr. Maeck: No.

Mr. Laughren: Will you table them or send them over to us?

Hon. Mr. Maeck: If there is any documentation, I'll be happy to give it to you.

Mr. Laughren: If there is not any, will you make a statement in the House that there is none?

Hon. Mr. Maeck: I've already said if there are documentary papers I can supply you I will. If you don't get them I haven't got them.

Mr. Laughren: The minister hasn't gone quite as far as I wanted him to go. If there is information will he send it across to us, and if there is not any will he make a statement in the House to that effect?

Hon. Mr. Maeck: You can always ask me a question in the House any time you want to.

Mr. Chairman: All those in favour of Mr. Charlton's amendment to section 3(4)(70) will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Any further comments on section 3?

Mr. Roy: Yes. I'd like to speak to the minister. I didn't spend sufficient time on it. I don't know whether it is the intention of the minister to come back at eight o'clock on this bill.

Hon. Mr. Maeck: Yes.

Mr. Roy: We are to continue with these bills. Maybe I could just start warming up, then, because I want to speak to the minister about clause 70.

It is not the first time this minister has been a member of the Legislature. He has known in the past some of the difficulties we have caused businesses and retailers across this province because of changes in the retail sales tax. I can remember when the honourable Allan Grossman, the father of the present Minister of Industry and Tourism (Mr. Grossman), was Minister of Revenue and the difficulties and complaints that were received from businesses across the province about the selective imposition of sales tax on various items. This is the situation here, Mr. Chairman.

Possibly rather than go into it fully, I can adjourn the debate until eight o'clock and start at that time to give the minister complaints I have received from some of my constituents about the imposition of this tax. The minister knows when I make these com-

ments I certainly don't attack him personally; but I do attack the ministry. I really think it's an unfair onus on people in business. They have sufficient problems in coping with their

books and everything else. Every time they sell something they are going to have to go through this list.

The House recessed at 6 p.m.

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Breithaupt, J. R. (Kitchener L)
Cassidy, M. (Ottawa Centre NDP)
Charlton, B. (Hamilton Mountain NDP)
Conway, S. (Renfrew North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Edighoffer, H.; Chairman (Perth L)
Gigantes, E. (Carleton East NDP)
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Maack, Hon. L.; Minister of Revenue (Parry Sound PC)
Makarchuk, M. (Brantford NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. (Bellwoods NDP)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Peterson, D. (London Centre L)
Philip, E. (Etobicoke NDP)
Reed, J. (Halton-Burlington L)
Reid, T. P. (Rainy River L)
Riddell, J. K. (Huron-Middlesex L)
Roy, A. J. (Ottawa East L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Smith, S.; Leader of the Opposition (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Education (York Mills PC)
Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
Stong, A. (York Centre L)
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Walker, Hon. G.; Minister of Correctional Services (London South PC)
Warner, D. (Scarborough-Ellesmere NDP)
Wildman, B. (Algoma NDP)



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No. 42

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Tuesday, May 8, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, MAY 8, 1979

The House resumed at 8 p.m.

House in committee of the whole.

RETAIL SALES TAX AMENDMENT ACT (continued)

Resumption of consideration of Bill 58, An Act to amend the Retail Sales Tax Act.

On section 3:

Mr. Deputy Chairman: When we recessed, the member for Ottawa East had the floor.

Mr. Roy: I might say, Mr. Chairman, it is not every day at eight o'clock that I have the opportunity to get up and address the Premier (Mr. Davis), the Treasurer (Mr. F. S. Miller) and the Minister of Revenue (Mr. Maec) all in their seats.

Hon. Mr. Davis: That is only because we are here and you are not. I hope Hansard records that.

Mr. Roy: Prior to the adjournment, Mr. Chairman, I was talking about the concerns of some of my constituents pertaining to Bill 58, An Act to amend the Retail Sales Tax Act and, more specifically, to section 3(4), paragraph 70, of the act. I might say to the Minister of Revenue, while we are talking about this, that this act is getting as complicated as the Income Tax Act for the ordinary lay person to try to follow the different sections of the act.

Hon. Mr. Davis: We are just trying to enhance your practice.

Mr. Roy: But I want to tell the Premier—and I am pleased that the Treasurer is here, because his initiative in his budget results in abuse to the Minister of Revenue; he is the one who has to take all the abuse from the Treasurer's initiative.

Hon. F. S. Miller: Notice that I am taking the ones with credit.

Mr. Roy: That's right. But, in the terms of the taxes to the public, the Treasurer is not around to bear the brunt—

Hon. F. S. Miller: That is his job.

Mr. Roy: Okay. I am glad the Treasurer understands that; and I trust that he appreciates the effort and the zeal of his colleague who is the Minister of Revenue.

Hon. F. S. Miller: He is a fine gentleman.

Mr. Roy: My concern, Mr. Chairman, is this: As you know, under paragraph 70 certain furnishings, as defined by the minister, and food preparation equipment are exempt. The difficulty is explained by my constituent who wrote me a letter. For the benefit of the Treasurer and possibly the Premier—his French is improving somewhat; I have noticed he has said a few words over the last year or so—I will read my constituent's letter in the language in which it was written; then I will have the translation shortly.

Hon. F. S. Miller: I'll translate for you.

Mr. Roy: It is written to me, of course, as the member for Ottawa East, and it says—L'électeur, Monsieur l'Orateur, dit out simplement:

"Je vous prie de trouver ci-inclus, la copie des nouveaux règlements concernant l'exemption de taxe de vente pour les restaurateurs.

"Comme fournisseur d'équipements à ces restaurateurs, je suis très concerné par la page 2 de ce pamphlet.

"Ces règlements sont sujet à tellement de différentes interprétations que je ne pourrais tous les énumérer ici.

"La responsabilité d'interprétation qui nous est imposée nous expose inutilement à des risques sérieux d'erreurs dispendieuses.

"J'apprécierais, à votre convenance, l'opportunité d'en discuter plus longuement avec vous."

For the benefit of the audience, he says, basically: "Enclosed is a pamphlet that is printed by the Ministry of Revenue. As a retailer in restaurant equipment, I am concerned about page two. These regulations are subject to so much interpretation that I can't even enumerate them all here."

He feels that the responsibility for interpreting these regulations imposes undue hardship on the people in the retail business and can lead to serious errors which they will have to pay for. He says, "I would appreciate your comments." As a member who is aware of what is going on in government in my riding, I had already made a speech on the subject, as the minister will recall, about the difficulty of interpreting the ministry pamphlet.

As one who furnishes these institutions, my constituent's concern is that the ministry says the following businesses are exempt: hotels, motels, hostels, resorts, cottages, cabins, legions, convention centres, restaurants, summer camps and commercial resorts. That is the first onus imposed on the individual who sells the equipment: these businesses are exempt but others are not. Apartment dwellings are not. I suppose he can distinguish that from a cottage but then clubs are on the list. What is the difference between a club and a restaurant? He has got to make a distinction. When a person comes into his store to buy equipment he has got to find out "Are you serving food in your club? Is that considered a restaurant?"

Does the minister not see the onus that is being put on the individual, an onus that very often he would not even put on his own civil servants? Next is a delicatessen. What's the difference between a delicatessen and a restaurant? He has to make that distinction. Is the individual running a delicatessen or is he running a restaurant? That's the type of unfair onus I am talking about.

By the way, I notice that not exempted on the list are such institutions as homes for the aged and hospitals. I find it strange that if there are going to be exemptions, you would not include institutions which are for the benefit of the community.

Mr. Hennessy: You find a lot of things strange.

Mr. Roy: Also not exempt are snack bars, that is to say snack bars located at or in exhibition fairs, sporting events, cinemas, theatres, supermarkets, department or grocery stores or similar places. How does he tell where it is located or if it is a snack bar, restaurant or delicatessen? A lot will depend on what the individual involved calls it. He is going to have to make a distinction about who he is selling to?

Nursing homes are not exempt; nor are summer camps if they are private, if they are commercial they are. Surely when we are enacting laws, when we are asking the people of the province to collect taxes on behalf of the government or to give out certain exemptions, it is unfair to impose this type of hardship on the individual who is going to have to determine what type of business the person who is buying from him is in and what type of business he is selling to.

I notice the Premier frowning. Doesn't it make sense that that type of onus shouldn't—

Hon. Mr. Davis: Can't you think of an answer? I have an answer.

Mr. Roy: No, but your frown was enough for me. I realize that all a man of your importance has to do is smile or frown, and I can get the message.

Hon. Mr. Davis: I frowned because the answer wasn't as obvious to you as it was to me.

Mr. Conway: You haven't answered anything you were asked today.

Mr. Roy: That's right. I might mention that your performance during the question period was excellent, but there weren't any answers forthcoming. It was a pretty good performance.

Hon. Mr. Davis: I really question whether there were any real questions.

Mr. Roy: Now you are insulting my colleagues the member for Carleton East (Ms. Gigantes) and the member for Ottawa Centre (Mr. Cassidy). I thought they said they had important questions.

Hon. Mr. Davis: Oh I don't dispute that.

Mr. Deputy Chairman: May I bring members back to section 3 of the bill?

Mr. Roy: Yes. Thank you, Mr. Chairman; I'm glad you did.

May I ask the same question the Premier asked during question period: Must I ignore interjections?

Mr. Deputy Chairman: It would be advisable for you to do so.

Mr. Roy: The onus is imposed on the individual in the business. The other thing the individual has to do is to know the sorts of restaurant kitchen equipment that are exempt—blenders, bowls, broilers, coffee-makers and so on. But exhaust canopies are not exempt, Mr. Chairman, and he has to know that.

First of all, someone walks in and says, "What are you running? What type of business are you running?" And the individual says restaurant. "Is it a restaurant or a delicatessen?" he says to him. That's the first thing he has to determine: is it a restaurant or a delicatessen or is it a club; or is it a snack bar.

If he sells bowls, he's okay. If the fellow is running a restaurant, he can sell a bowl; but he can't sell an exhaust canopy or food wrapping equipment. Mobile buffets, wagons and cooking things are not exempt.

The other point is this: When an individual walks in, once it's been determined it's a restaurant, a delicatessen, a club or a snack bar, the person has to say: "Are you buying a whole piece of equipment? Because if I'm selling you parts for the repair and main-

tenance of this equipment, you can have it but you have to pay the tax."

Do you see what I mean? There should be some high-priced lawyer cross-examining the individual who walks in to determine exactly who he's selling to and what type of equipment he's going to have.

I think I've made the point of the onus imposed on people in this business and that the complaints of this constituent of mine are well founded. Surely when we're enacting laws we should try to put forward something more simple, especially considering that these people are collecting taxes for the government. It's bad enough trying to run a business today, just trying to stay ahead of the overhead, trying to keep your head above water, without having to go through this rigmarole of having this type of responsibility forced on the individual. If he makes a mistake it's got to come out of his pocket, doesn't it? He has to pay it.

Hon. Mr. Maeck: We'll be very lenient.

Mr. Roy: You'll be very lenient. I would hope so. With that type of directive sent to individuals I would trust that you would be.

I think the point has been made that surely when laws are being passed, when regulations are being enacted, we should try to get some logic, we should have to have something comprehensive so that individuals aren't faced with a responsibility which, to all intents and purposes is impossible for the ordinary business individual to meet.

Hon. Mr. Maeck: Some of the concerns the honourable member has expressed are certainly concerns of ours. It is a difficult situation, and a difficult one to administer.

In our ministry we have discussed some of the points the member has mentioned quite a few times before bringing the legislation here. However, I would remind the member there are district taxation offices that anyone who has a problem can certainly phone for a ruling. It's really that simple.

The member didn't have any problem telling me which ones were exempt and which ones were not by the list that's already been supplied. He was able to say that canopies were not exempt and stoves were. I think that's fairly explicit in the bulletin.

I would remind the member, also, that this will come under regulations; we will be looking at it a little more closely to try to iron out some of the concerns the member has.

In the meantime—and I believe it's contained somewhere in the bulletin—if they do have a question, if they are concerned about something or there's something they don't understand, they can call the district taxation office and get a ruling. Once they've done that they're not going to be held liable if a mistake has been made.

[8:15]

I've also instructed the staff that initially, while this program is moving ahead slowly, they should not be too tough on people who make mistakes, because it is a new law and it is a case of a few mistakes being made; we understand that.

The other thing I would like to say relates to the difference between clubs and restaurants. A club, obviously, would be a licensed club so they would have a licence to produce if that were necessary; however we've had some concerns, particularly about the definition of hotels, motels and the ones you talked about initially at the top of the page. We just haven't been able to come up with a definition that's any better than the one we have.

Mr. Roy: What's the difference between a delicatessen and a restaurant?

Hon. Mr. Maeck: When we pass the regulations we will try to make it more definitive than what we have in the bulletin, but we had to get the bulletin out immediately, because as you know the tax was effective on April 11 and they had to have some guidelines. That's not to say corrections cannot be made, and certainly they will be considered. I appreciate your bringing it to our attention.

Mr. Roy: The point I wanted to make is that even with the best of laws, the laws that are thought out, the ones we think are precise and the meaning is very clear, when you talk about tax laws there are always questions. When you set up these laws and they are enacted for the public, we always come up with question marks. What is the definition of this or that? The point I am trying to make is that we can see the problems even now, here; so imagine how bad this is going to be for others. There are some problems right here with this type of definition. We can see question marks all over the place.

I understand the difficulty the ministry officials have. I understand that the ministry officials will be most co-operative and the district offices will be co-operative, but the fact remains you can't be asking a businessman to be calling up a district office on each and every transaction. So we should force

ourselves, when we're passing legislation or when we're sending forth regulations, to draft so that at least it's clear in our own minds what is meant, so that we have definitions that are clear and we have something which the ordinary lay person can look at and understand. Even at that we're going to have problems, but here we're sending out something, I'm suggesting to you, which is full of loopholes and which is full of question marks. I think it's unfair to people like this individual who is in the hotel restaurant supply business. I think it's an unfair onus to impose on individuals.

Hon. Mr. Maeck: As I stated earlier we will look at it again, it will be in the form of a regulation.

The other thing I might mention to the honourable member is that you have to remember that this is actually a temporary exemption. It sunsets in 1981, so it's not something that is going to be etched in stone forever. Therefore, there are perhaps going to be some problems with it, but to cover all the items we have covered I don't think anyone can come up with something that nobody is going to have a question on. It's not that simple, because when you list one item then there is something that is very close to that one and people wonder whether that is exempt or isn't it?

Stoves and exhaust fans are good examples. In my estimation, it is all part and parcel of the same thing, and yet it isn't under this legislation. If you asked me why I would advise you there was a certain amount of dollars that we could afford to put into the tourist industry and the restaurant business and we had to draw the line somewhere; in that particular instance it happened to be between the stove and the exhaust fan.

Mr. Roy: Maybe you could answer a question for me. Why would kitchen refrigeration equipment be exempt and why would parts for the repair and maintenance of that equipment not be exempt? Why would you have that distinction on something like that?

Hon. Mr. Maeck: I would suggest to you that when you talk about repairs and parts, and so on, that could go into any refrigerator in anybody's house if someone so desired. If they purchase a piece of restaurant equipment for a restaurant they are exempt, but the same parts that would repair that one could also repair the refrigerator in your house or mine and we would have no way of controlling that.

Mr. Roy: With respect, you fail to see the first step. My constituent is going to have

to determine what the fellow is operating before he can give an exemption. If he sells a blender, bowls or broilers he is going to have to determine that he is selling either to a hotel, motel, restaurant and all that stuff, okay?

Hon. Mr. Maeck: What's the difference?

Mr. Roy: What's the difference? He's going to have to do it whether it's going to be for the actual equipment or for the repair equipment, that's what I don't understand.

Mr. Conway: I thought the Premier had the answer to that.

Hon. Mr. Davis: Mine was very simple. Dial the taxation office.

Hon. Mr. Maeck: I believe under the legislation they do have to produce an exemption certificate number, so perhaps that is right. I have no idea. If that is the case, I really don't know why the parts are not exempt and the refrigerator itself or the piece of equipment is.

Again I can only say there is a limitation to the amount of dollars we were prepared to put into this and somewhere the line had to be drawn and perhaps that is where it was drawn.

Mr. Roy: I don't like where you've drawn the line.

Mr. Worton: As I interpreted the remarks of the member for Ottawa East, you are not going to exempt exhaust systems. Quite frankly, as one who has been in the food business and with the thinking today on health protection, I don't think there is anything more important than having a proper ventilating system in any shop, whether it be a foundry or food outlet. I think you should seriously consider that because that is a must today in any food establishment.

I spoke to your officials, who were very helpful, and to you about the smoke detectors which are on the market. There is a great play being made for people to install them. It was brought to my attention that there are three variations of the smoke detector; one is for smoke, one is for open flame and the third is a combination of both. There is some clarification needed on that particular item. I haven't heard back from either you or your officials on it. Again I would implore you to reconsider what the member for Ottawa East has said about the exhaust systems and ventilating systems.

Hon. Mr. Maeck: I will reconsider the exhaust systems. I don't think that is a major item one way or the other as far as tax is concerned.

We did look into smoke alarms. The reason we are exempting only smoke alarms as such, rather than the ones triggered by heat, is that it is my understanding the ones triggered by heat are usually not put in residences but are put in commercial buildings where the heat has to get to a fairly high degree before the alarm goes off. Our thrust here was to encourage people to put smoke detectors in residences. That is the reason the ones triggered by heat were not considered, only the ones triggered by smoke.

It is my understanding the ones triggered by heat are not put into homes because they require too high a degree of temperature to set them off.

Mr. Worton: The distributor who brought it to my attention certainly indicated to me they were becoming a large installation in homes. I can understand what you said about certain homes, depending on the type of heating, but we are talking now about an open flame alarm system. When I was speaking to our fire chief, he expressed some concern. There are some alarms that go off with the open flame and the smoke detectors will not do that. I think what is good for one should be good enough for the other.

Mr. Conway: Do you remember how storm doors got into the budget last year? Do you remember that one?

Hon. Mr. Davis: That wasn't me. That was Kathleen.

Mr. Conway: It gave me a new insight on public policy.

Hon. Mr. Maeck: I will give the member the assurance we will look at it again. If the information you have given me is accurate, we will accept them along with the smoke detectors.

Mr. M. Davidson: I understand a position has been placed by members of our party with regard to the purchase of equipment manufactured in Canada. The amendment I suggested said in effect that "provided such furnishings or food preparation equipment were manufactured in Canada." I understand that amendment was defeated. I do, however, remind the minister of a few words that I suggested to him when this was first presented to the House. I suggested to the minister at that time that there were fully owned Canadian manufacturers in the Cambridge and Kitchener area and, now that the member for Guelph has spoken, there are fully owned Canadian manufacturers of the kinds of goods he is talking about in the Guelph area.

I realize that the amendment placed under section 3 on behalf of the member for Hamilton Mountain (Mr. Charlton) did not get through, but I would like to suggest to the minister that even though he is going to allow the exemption for all goods purchased by these people, be they manufactured in Canada or the United States of America, he should consider sending out a bulletin to the tourist industry and the hotel/motel accommodators who are going to purchase this equipment, stating that even though the exemption applies to any equipment purchased, as far as his ministry is concerned preference should be given to equipment manufactured in Ontario or in Canada; they should purchase that equipment rather than equipment manufactured outside the boundaries of Canada or Ontario.

I would suggest that to the minister, because I believe the manufacturers in the Cambridge, Kitchener and Guelph areas would appreciate that as would the workers in those areas who are very much concerned about the jobs they have because of the influx of imported materials going into the very industries to which he is referring. He should send a directive from his ministry to the effect that even though the exemption applies to any goods purchased, he and his ministry would prefer that if possible they buy goods manufactured either in Canada or Ontario.

Hon. Mr. Maeck: I think that's a reasonable suggestion and I'd be prepared to accept it. I, along with all other members of the House, am aware that there is a program in the province that says "Shop Canadian" so why can't we extend it in the form of a bulletin to those people you are referring to? I'd be quite happy to do that.

Section 3 agreed to.

Sections 4 to 9, inclusive, agreed to.
[8:30]

CORPORATIONS TAX AMENDMENT ACT

Consideration of Bill 59, An Act to amend the Corporations Tax Act, 1972.

Sections 1 to 6, inclusive, agreed to.

On section 7:

Mr. Deputy Chairman: Mr. Charlton moves that section 7 of the bill amending section 33 of the act be amended by striking out "14 per cent" in the fifth line and substituting therefor "15 per cent."

In my mind, that is an increase of taxation and as chairman I would rule that out of order.

Hon. Mr. Maeck: Mr. Chairman, there are four more amendments that have been proposed by the member for Hamilton Mountain related to that particular amendment and I wonder if he wants to proceed with those. The fifth one would stand on its own but I would again ask the chairman for the same ruling he has made on this one.

Mr. Charlton: If the chairman is going to rule the first one out of order, the same would apply to the next three. I don't want you to throw out number four just yet, please.

Mr. Deputy Chairman: Since there's an increase from 14 to 15 per cent in the amendment I have before me, I have ruled it out of order and so we will pass section 7.

Section 7 agreed to.

Sections 8 to 10, inclusive, agreed to.

On section 11:

Mr. Charlton: Mr. Chairman, I have an amendment to section 11. The minister has already suggested he feels it is out of order, but I am going to move it anyway and we will test the water on that one.

Mr. Deputy Chairman: Mr. Charlton moves that section 11 of the bill be deleted.

Hon. Mr. Maeck: Mr. Chairman, on this one we are again suggesting an increase in taxes and I would refer you to section 15 of the standing orders which says that only a minister of the crown or the executive council can move such an amendment.

Mr. Charlton: Mr. Chairman, we would like to dispute the contention that we are increasing a tax by this amendment and this deletion. This exemption as set out in section 11 of the bill is an exemption which did not exist prior to the existence of this bill and does not exist in the Corporations Tax Act. It is a new exemption, so by removing this exemption from the bill, we will not be increasing any tax because the exemption is not there now. It does not exist in present legislation and makes no specific recommendation to a specific tax increase in this section at all. It is merely removing an exemption which the minister is proposing, which does not at present exist in the Corporations Tax Act.

Mr. Deputy Chairman: The bill itself is to place a tax by the removal of an exemption and the motion is to remove that exemption.

Mr. Charlton: The motion is to remove the proposed exemption, not an existing exemption.

Hon. Mr. Maeck: Mr. Chairman, may I say we have already passed the section to which this section refers and therefore they are trying to remove a tax. They are trying to create an exemption.

Mr. Charlton: I might point out, Mr. Chairman, that when we passed the section to which the minister is referring, we did not pass it contingent on this section passing. There is no reference in the section which we passed to this section of the bill, none whatsoever. There may be reference in this section to that section but there is not converse reference. There is no reference in sections 7, 8, 9 or 10 to section 11 of the bill.

Mr. Laughren: He's a corporation lawyer by profession, you know.

Mr. Deputy Chairman: Is there any other member wishing to speak to the point we have before us?

Mr. Conway: Very briefly, Mr. Chairman. It would be my impression, from having looked at that particular section the amendment speaks to, that it does substantially affect the pattern of tax exemption intended. To that degree it is clearly out of order. I would concur entirely with the minister's position, lest there be any misapprehension from our point of view.

Mr. Deputy Chairman: Were there any other members wishing to speak to this point before the chairman rules? The member for Nickel Belt?

Mr. Laughren: Take the Liberals off the hook with your ruling.

Mr. Deputy Chairman: I do rule the effect of the bill is to impose a tax that otherwise would not be imposed and it is, therefore, out of order.

Mr. Germa: Mr. Chairman, I sat quietly here and listened to this debate and you have propelled me to my feet.

Mr. Deputy Chairman: I am glad I have accomplished something in this House.

Mr. Germa: I don't want to do this, but I have to support the amendment put forth by my colleague that you are supplying another loophole to taxation of corporations. That is the whole argument I have with the tax system. You impose a tax and then by devious means you provide exemptions, one after the other, to relieve these people of their just taxation. This is what section 11 is; and that is why I support the proposition that section 11 should be deleted.

"There may be deducted from the tax otherwise payable . . ." is the lead-in to the section, and the whole tax system in Canada

and in Ontario leads off with that proposition. You say one thing in the first paragraph and then by the time you get to the end of the legislation there is nothing left. It is like putting a hypodermic needle into an orange: you suck the juice out and say, "Now charge your tax. Levy your 14 per cent now." There is nothing left. It is like whistling in the dark, or whistling up the creek, isn't it?

Hon. F. S. Miller: That is quite a metaphor. It sounds like a screwdriver.

Mr. Laughren: Rowing in the dark.

Mr. Germa: Let's listen to some of the other exemptions which are provided under the Income Tax Act of Canada, which the government of Ontario goes along with: By the time you come to the exemptions there is nothing left for the people of Ontario to tax, and that is the weakness in the taxation system. I am dealing now only with mining corporations, but it applies universally to all other corporations.

I just happened to have picked up a document entitled Canadian Taxation of Mining Income, by E. N. Holland and R. M. Kemp.

Mr. Conway: Mr. Chairman, on a point of order: I certainly do appreciate the member for Sudbury's point and I certainly want to listen to it, but I do want to know whether or not the chair is going to entertain the amendment.

Mr. Deputy Chairman: No, I have already ruled. But I am very pleased that you, yourself, suggested you were glad to hear the argument. I have ruled that it is out of order and I should really end the debate there. The chair does not claim to be infallible.

Mr. Laughren: The member is speaking to section 11 of the bill.

Mr. Deputy Chairman: I might suggest to the member who put forward this deletion that the proper method is simply to vote against this section, if he wishes to do so.

Mr. Germa: I am speaking to the proposition under section 11, Mr. Chairman, which says, "There may be deducted from the tax otherwise payable . . . that portion of its taxable income or taxable income earned in Canada . . ." and it goes on and on and on dealing with exemptions. I am speaking to the exemptions in the corporate tax law—

Mr. Deputy Chairman: The net effect is that the minister is proposing an exemption and you want to delete that exemption. If the exemption proposed by the minister is deleted, then in fact the amendment is what will be imposing the tax. Therefore, I have ruled that the amendment is out of order, and

I have heard nothing from you that would change my mind.

Perhaps we should go on to the next section of the bill, unless the committee wishes to hear further from the member for Sudbury.

Mr. Germa: Even though you have ruled the amendment out of order, I still resent that we are adding more exemptions to the Corporations Tax Act. I have a right to object.

Mr. Deputy Chairman: I appreciate your resentment.

Mr. Germa: Let me tell you about it, Mr. Chairman, and you might agree with me.

Mr. Deputy Chairman: You may challenge my ruling if you wish to do so. But I am going to declare section 11 as part of the bill.

Mr. Germa: I am not speaking to the amendment, Mr. Chairman.

Mr. Deputy Chairman: You are speaking to section 11 as such?

Mr. Germa: To section 11, which provides further exemptions to corporations.

Mr. Deputy Chairman: That is in order. I have ruled your amendment out of order; you may speak to the section, and you may vote against the section if you are so inclined.

Mr. Germa: I am not proposing any amendments, because I know it is impossible to deal with this minister. He has a closed mind. He is atrophied; he is in a rigid position. He has been listening to his advisers, and I know what they have said. But I still resent further exemptions to the Corporations Tax Act.

What I resent are the loopholes that are deliberately provided in any taxation law—not only in the corporation tax law; they exist in the income tax law or any other tax law. At this time we are talking about the Corporations Tax Act, but the exemptions that are provided both federally and provincially are simply abhorrent and unacceptable to me.

When I refer to a corporation, I am speaking of mining corporations; I am zeroing in on mining corporations because they are what I understand best, coming from the city of Sudbury, where our whole lifestyle is dedicated to and dependent upon mining corporations. Yet over a long period of time I have seen that the mining corporations have not contributed their fair share to the existence of the community or the province in which they exist.

Just listen to this list of exemptions provided for mining corporations under the federal Income Tax Act, which the province of Ontario accepts with certain reservations. In general terms the province of Ontario goes

along with these exemptions, and here it is proposing one more.

The figures have been put on the record by my colleague of the benefit to the province of mining corporations; it is an infinitesimal amount when we compare it to the wealth and the value of the minerals produced. I just want to put on the record all of the loopholes that are evident and available and used by mining corporations today when calculating their corporation tax:

(1) Inventory allowance; (2) capital costs allowance; (3) the 25 per cent resource allowance—after January 1, 1976; (4) reserve for unrealized profits on disposing of resource properties; (5) interest expense; (6) Canadian development expense; (7) pre-1972 Canadian exploration and development expenses; (8) foreign exploration and development expenses; (9) Canadian exploration and development expenses; (10) Canadian exploration expenses; (11) earned depletion; (12) charitable donations; (13) gifts to the crown; (14) dividends from Canadian corporations and foreign affiliates; (15) loss carry-overs.

Those 15 exemptions are applicable Mr. Chairman, before you start calculating your corporate tax. By the time I deduct those 15 exemptions, there's nothing left for the minister to tax. These things include the corporate airplanes, the fancy mahogany boardrooms, and you're asking me why I disagree with granting them another exemption. They don't need another exemption. The mining corporations in Ontario do not need another exemption.

A headline in my local newspaper showed Falconbridge Nickel Mines Limited had \$22 million profit in the first quarter of 1979, the highest profit they've seen in their whole history. What is the minister doing this for? Why is he granting this further exemption? He's already granted them the whole world. It's time the people of Ontario realized something from their natural resources.

I'm speaking now, in the whole corporate tax structure, only of mining exemptions. I'm sure it permeates the whole business community. Yet you're willing to grant further exemptions. I'm just amazed.

I understand rule 15 of the standing order—we can't propose an amendment which will alter the tax structure or the revenues of the province of Ontario. But despite rule 15, I have to stand here and oppose this exemption. I hope the minister will take my words into consideration.

[8:45]

Mr. M. Davidson: Point of order: Mr. Chairman, I understand that prior to my arrival in the chamber there was another point of order

relating to the acceptance of the amendments placed by the member for Hamilton Mountain with regard to this. I understand also that under the standing orders, the section that was quoted by the chairman at the time was under "Regulation and Management of the House" section 15: "Any bill, resolution, motion or address, the passage of which would impose a tax or specifically direct the allocation of public funds . . ."

I would ask you, as chairman, to take a look at section 15 on page three of the standing orders. I would ask you to determine whether the motion placed by the member for Hamilton Mountain did in fact impose a tax or whether it did in fact specifically direct the allocation of public funds.

I contend that section 11 of the act and the motion moved by the member for Hamilton Mountain delete—and I want to make this very clear—exemptions that have not previously been imposed. Therefore under this section no tax was imposed and unless this is passed, there can be no allocation of public funds.

What I am suggesting to you, Mr. Chairman, is that the point of order made earlier and directed to this very section was correct and should be taken very seriously into consideration by yourself, as the chair, or referred directly to the Speaker or the procedural affairs committee to determine what section 15 of that part of the standing orders actually means.

As far as I am concerned, Mr. Chairman, we are not asking for the imposition of a tax, nor are we asking that we specifically direct the allocation of public funds, because unless this bill passes there are no public funds available. I would ask you, Mr. Chairman, to take that into consideration—yourself, the Speaker of the assembly and, if necessary, refer it to the procedural affairs committee.

Mr. Chairman: I'd like to thank the honourable member for his comments. I would have to remind the member that the chairman who was in the chair at the time ruled the amendment out of order.

Mr. Sterling: How are you going to rule?

Mr. Chairman: Order. As that amendment has been ruled out of order by the chair the member has one alternative. He may, if he wishes, challenge the ruling of the chair. If not, we'll continue with further business.

Mr. M. Davidson: Mr. Chairman, it is not my wish to challenge the ruling of the chair. As I said earlier in my comments, what I am asking you, as chairman at the moment—

Mr. Makarchuk: It is not because of the ruling. It is the office we respect.

Mr. M. Davidson: —to do, is to refer, through you to the Speaker of this House and if necessary to the procedural affairs committee of this House, what in fact section 15 on page three means.

Mr. Chairman: Order.

Mr. Rotenberg: You can't do that.

Mr. Chairman: The honourable member is now being repetitious. I appreciate his comments.

Mr. M. Davidson: I'm referring to your comments, Mr. Chairman.

Mr. Rotenberg: You can't do that. You want to appeal and it goes to the Speaker.

Mr. M. Davidson: That's all I ask. Read Hansard, David, if you don't understand what I'm saying.

Mr. Chairman: Are there any further comments on section 11? Shall section 11 stand as part of the bill?

Some hon. members: No.

Mr. Chairman: All those in favour will please say "aye."

All those opposed will please say "nay."
In my opinion the ayes have it.

Amendment stacked.

Section 12 agreed to.

On section 13:

Mr. Chairman: Hon. Mr. Maeck moves that subclause (i) and (ii) of section 126(4)(c) of the act, as set out in section 13(2) of the bill be struck out and the following substituted therefor:

"(i) an individual who is a limited partner thereof or a member of his family is a general shareholder or is related to the general partner, or

(ii) a trust, the beneficiaries of which are related to any person mentioned in subclause (i) is a limited partner thereof."

Mr. Laughren: On a point of order, Mr. Chairman. Did he send a copy of that to us?

Hon. Mr. Maeck: Yes, I did.

Mr. M. Davidson: Who got it?

Hon. Mr. Maeck: Your critic.

Mr. M. Davidson: He doesn't have it.

Mr. Charlton: When did you send it?

Hon. Mr. Maeck: I sent it today before the question period.

Mr. Conway: Lorne, that amendment makes you sound like a Philadelphia lawyer from Parry Sound.

Hon. Mr. Maeck: The Liberal critic got one. I'm sorry if you didn't get one, I can send you one over. It was sent over.

Mr. Chairman: We will be dealing with two separate subsections.

Hon. Mr. Maeck: Mr. Chairman, I am going to read the explanation to this one.

Mr. Conway: Read it slowly, Lorne.

Hon. Mr. Maeck: This amendment is necessitated because the loophole was not fully corrected by the existing provision in this bill. After amendment, the taxpayer will not be able to avoid or substantially reduce the amount of capital tax which would otherwise be payable had he not had a related person or corporation hold his interest as a general corporate partner of a partnership in which he is a limited partner.

Mr. Conway: Could you amplify that?

Mr. Haggerty: If I read the amendment correctly, the minister has left out the words "of his family owns any share." Is that what he deleted from his amendment? The amendment now reads: "An individual who is a limited partner thereof or a member of his family."

In the original bill it was "his family owns any share." Now the interpretation is a shareholder or is related to the general partner. I just can't understand what this will mean under the act if the words "family owns any share" are removed and just omitting the word "owns" after "family." I don't know what the minister means when he says he is plugging the loophole. It seems to me he has broadened it out, opened it up.

Mr. Conway: Is this the intermission?

Hon. Mr. Maeck: I am just trying to make a comparison here.

Mr. Conway: We should have an NFB short.

Hon. Mr. Maeck: Perhaps I will have an answer from my staff shortly. It is very difficult, very complicated.

Mr. Haggerty: As I interpret it, it says, "family owns any share of capital stock." The amendment is, "a member of his family is a shareholder."

Hon. Mr. Maeck: As I understand it, the idea behind this amendment is to plug a loophole where the original amendment covered most people who would be able to avoid the tax. I think I have a proper reply here.

The motion to amend the corporations tax bill is in order to block a loophole in the provisions relating to the paid up capital of

limited partnerships. Under the amendment in the bill, the paid up capital of a limited partner who is an individual who owns shares in the general partner, is to be added to the paid up capital of the general partner. The original amendment did not include that. The idea of that is to make sure the proper tax is applied.

Under the present wording, the parties could arrange to have such an individual limited partner own the shares of the parent company of the general partner and in such case, the paid up capital of the individual limited partner would not be taxed under the amendment in the bill, since neither he nor members of his family would own any shares in the general partner.

This motion would close this loophole since, in the example I have given, the individual limited partner would be related to the general partner, even though he would not be a shareholder thereof.

There are some problems with this particular act simply because of partnerships. Partnerships, general and others, are formed in order to avoid the payment of tax and that is why this whole section is in here. After we had drawn up this section we located one loophole that was left and that it the one we are trying to close.

Motion agreed to.

Hon. Mr. Maeck: The amendment to clause (d) is in relation to the same explanation I just gave. This is just the other part of it. It requires this amendment to make the whole thing work.

[9:00]

Mr. Chairman: Hon. Mr. Maeck moves that section 126(4)(d) of the act as set out in section 13(2) of the bill be struck out and the following substituted therefor:

"(d) where two or more general partners of a limited partnership are corporations, and where a limited partner referred to in clause (c) is a shareholder of or is related to two or more of such general partners, the amount allocated to such limited partner under clause (b) shall be apportioned and added to the paid up capital of each general partner of which the limited partner is a shareholder, or to which he is related in the same proportion that the share of the profits of the limited partnership of that general partner is to the total share of the profits of the limited partnership of all the general partners of which the limited partner is a shareholder or to which he is related."

Mr. Laughren: Mr. Chairman, is there a subamendment that would remove the word "partners" from that amendment?

Mr. Chairman: Would the honourable member put that in writing, please?

Mr. Laughren: No, I'll pass.

Mr. Chairman: Are there any more questions?

Mr. Charlton: Yes. Mr. Chairman, Could I just ask the minister if he could put the amendment that he just read into his own words for us?

Hon. Mr. Maeck: I'm sure if I put it in my own words it would be more understandable but we must have the legal terms to make it legal.

Motion agreed to.

Section 13, as amended, agreed to.

Sections 14 to 23, inclusive, agreed to.

Hon. Mr. Maeck: I move the committee rise and report.

Mr. Chairman: We have some votes.

Hon. Mr. Maeck: I thought they were stacked. Could we have agreement that the votes take place at 10:15 p.m.? We would have to move back into committee of the whole House.

Mr. Chairman: Does the committee agree that we come back to committee to vote? At 10:15 p.m.?

Agreed.

On motion by Hon. Mr. Maeck, the committee of the whole House reported progress.

SUCCESSION DUTY REPEAL ACT

Hon. Mr. Maeck, on behalf of Hon. F. S. Miller, moved second reading of Bill 47, An Act to repeal the Succession Duty Act.

Hon. F. S. Miller: The score was 2-2, Mr. Speaker.

Mr. Acting Speaker: That's the most important information you've given us in some time, Mr. Treasurer.

Hon. F. S. Miller: I really think no introductory comments are needed on this bill. Ontario followed the lead of eight of the other provinces in Canada and decided that the combination of capital gains tax and income taxes were, in our opinion, adequate in terms of the overall taxation of wealth. We followed the lead of provinces such as Saskatchewan which, as recently as two years ago, felt that—

Mr. Warner: They have got resource tax—something you refused to do.

Hon. F. S. Miller: —it was also not necessary any further to take away from the incentives we have in our society for the accumulation of wealth.

Mr. Laughren: Mr. Speaker, the Treasurer has introduced this bill to abolish the succession duties in Ontario for basically three reasons, as I understand his budget. First of all, he feels that the capital gains taxation has eliminated the need for succession duty tax. Second and I quote from his budget statement: "I am convinced that the continuation of this tax is hurting our economic performance and costing us jobs." The third reason, and I am quoting again from the Treasurer's budget statement: "Our citizens will have one less burdensome concern to deal with in planning their private lives."

I shall return to those comments later, but they do contrast somewhat with the budget statement a year ago, 1977, which said this: "In the past year, the provinces of British Columbia and Saskatchewan have abandoned the succession duty field. As a result, only Manitoba, Quebec and Ontario now levy succession duties and gift taxes. We have reviewed this matter carefully and have concluded that our own statutes should remain in force. They add a valuable degree of equity to the province's tax structure."

At that point, the level of succession duties in Ontario was such that all estates under \$300,000 were exempted as a result of the 1977 budget; even with that \$300,000 exemption, the Treasurer indicated that it was necessary to retain succession duties. Perhaps when he responds, he could tell us what has changed in the last year.

As we begin what I regard as an important debate—as a matter of fact, I think it is an extremely important debate—I would like to quote a fellow by the name of Harlan Read. This is what Harlan Read said in the introduction to a book which he wrote some years ago. The title of the book is *The Abolition of Inheritance*. This is what he said, Mr. Speaker, and I hope you will bear with me, because it bears directly on this debate. I quote from page three:

"I intend to prove to you that inherited wealth is the foe of freedom; that it is a violation of the rights of the unborn; that it is the perpetrator of inequalities, robbing the cradle of its opportunity and fastening upon a living generation the authority of the tomb; that it must follow monarchy and slavery into the record of things past, because it is like them both in essence and in detail. Inherited wealth is the father of poverty and aristocracy, and the hearts of mankind today are sick unto death of both.

"The case against inherited wealth is simple and clear, but the evil has been so long entrenched and the minds of men are so reluctant to admit the existence of a new

world or a revolutionary thought that I ask your most careful and honest attention to my arguments. I ask you to forget for a time all preconceived ideas and to open your minds frankly and liberally to the truth, no matter how strange and new it may appear. I ask you to forget for the time all obstacles to the accomplishment of the proposed reform and merely to consider whether the principle of inheritance is right or wrong. When that question is settled, we will consider next what can be done to remedy the condition in which we find ourselves. But first let us seek with open mind to discover what is right.

"I must assume at the outset of my argument that each reader is interested—deeply interested—in the vital problem I am to present. I must take it for granted that I am writing for sane, healthy, earnest men and women who feel as I do the miseries of little children who hear as I do the groaning of strong men burdened with the yoke of undeserved poverty who hope as I do that the time of deliverance is at hand. More than that, I must assume that my proposal to destroy the privilege of inheriting fortunes suggests the possibility of relief that is well worth the thought that you, as readers, have undertaken to give it."

That was from *The Abolition of Inheritance*, by Harlan Eugene Read, the year 1918, and very little has changed in the thoughts expressed in that introduction to his book. That is how we feel. This government talks about the necessity of providing incentives both at the personal level and at the corporate level. The Treasurer is very fond of talking about incentives. But isn't it strange that when he talks about incentives for the corporate level it is that there are never enough and there have got to be more. When he talks about incentives at the personal level it is that there is too much there now and we have got to take away a little or we will destroy the incentive of the individual.

That is the difference in the mind of the Treasurer and the party he represents. For the corporate sector it is always, "We have got to give more in order to create incentive." With the personal level it is, "We can't give so much or we will take away incentive." What kind of logic is that? Well, we know what kind of logic it is; it is elitist logic.

This government wears its hypocrisy like a neon garment. There is no better example than the Treasurer and there was no better example than the Treasurer on budget night. That is exactly what he was doing.

The Treasurer talks about personal productivity, about the need to keep social assistance at a level so that there will be an incentive to work—he is very fond of talking about that. It is obvious, even in a relative sense, that in his eyes plenty at the personal level causes sloth.

That is what he thinks when he is looking at the individual out there in society: plenty causes sloth. That is what he thinks when he is talking about applying the revenues from the consolidated revenue fund to the family benefits levels or the minimum wage in the province. That is what he is afraid of. He is afraid that plenty will cause sloth. If that were true we would be paying family benefits to the Eatons, the Westons, the Bronfmans and all those other families who have inherited great wealth.

There is no other tax that so clearly draws the line between that party and this party, not to mention the Liberal Party of Ontario. No other tax so clearly speaks to the presence of income classes in our society as this inheritance tax, and no other tax so starkly presents a picture of the presence of wealth in the presence of people who have so little as the abolition of a succession duty or a death tax. The abolishment of no other tax would so clearly perpetuate an economic system that plainly and simply does violence to human potential, to personal potential.

Opposing no other tax abolishment would give me so much satisfaction or so much a sense of justification as opposing the abolishment of succession duties in this province. Abolishing succession duties is abolishing, plain and simply, a tax on wealth. It is a declaration of war on equity; that is what the Treasurer has done. It is a declaration of war on the redistribution of wealth in our society; make no mistake about it, that is exactly what it is. The Treasurer understands that and his advisers understand that as well. The Treasurer has indeed thrown down the gauntlet to us, and we cannot accept it, we cannot accept this bill.

Mr. Hall: You disagree with Blakeney, do you?

Mr. Laughren: Yes, as a matter of fact, I will get to that in a moment about the abolishment of succession duties.

I would call upon the Liberal Party in Ontario to support us in opposing the abolishment of succession duties in Ontario. Would the members do that?

Mr. Nixon: You want double taxation on it, do you?

Mr. Hall: You are the last holdout, Floyd.

Mr. Laughren: It is very interesting to hear the Liberal Party speaking like this. This is not simply a bill that will cost the Ontario Treasury \$28 million this year; it is much, much more than that. This is a bill that is steeped in principle and tradition.

[9:15]

I feel that this bill demeans the democratic process in Ontario because of its intent. I mean that. The Treasurer has demeaned the democratic process in Ontario and I will tell you why.

I do not believe that this government has received any mandate from the people in Ontario to so blatantly hand over a gift such as this to the top three per cent in our society. The minister has received no such mandate. He has taken it upon himself to cater to the whims and wishes of that group of three per cent, only three per cent, but he has received no mandate to do so, none whatsoever.

Hon. F. S. Miller: I am catering to the 97 per cent who hope to be part of the three per cent.

Mr. Laughren: Oh, that's very interesting. That really does speak to the minister's philosophy, doesn't it? That's very interesting and it is nice to have it on the record. What the Treasurer is saying is that he is willing to write off 97 per cent because they have his base desire to join the top three per cent.

Hon. F. S. Miller: I am catering to the 97 per cent who want to be.

Mr. Laughren: No, no. The Treasurer is saying that he believes that 97 per cent of the people out there have the same base desire as he does to join the top three per cent, at the expense of the bottom 97 per cent I might add. One doesn't get to the top without climbing over the people on the bottom and he knows it.

Hon. F. S. Miller: Have a secret ballot in your party.

Mr. Laughren: We'll see. I feel very strongly that this Treasurer and this government have not received a mandate to do this for the top three per cent of the population of Ontario, three per cent of income earners. I didn't hear the minister talk about that in his last election campaign, but he will talk about it in his next one, I promise him that. Because that is exactly what he is doing.

The Treasurer talks about capital gains and that we don't want double taxation. The Liberal Party does as well. What a lot of nonsense. What he doesn't tell everybody is a couple of minor points. One, capital gains

are taxed only at 50 per cent. You only pay tax on 50 per cent of capital gains anyway. Two, there is no capital gains tax in Ontario as a provincial taxation measure. There is none.

Hon. F. S. Miller: You are wrong.

Mr. Laughren: There is the federal capital gains tax—

Hon. F. S. Miller: We get that back.

Mr. Laughren: —which applies to the province of Ontario on 50 per cent of the capital gains realized. What the Treasurer is engaging in is, quite frankly, a deception. Perhaps the Treasurer could tell us when an estate is left in Ontario now, what tax will the heirs pay on the amount they receive from that estate? What tax will they pay? When the Treasurer responds, perhaps he could tell us.

This bill will cost this government dearly. The minister shakes his head, he smirks. And the Provincial Secretary for Social Development (Mrs. Birch)—what a joke. Social development. If anyone over there should be concerned about an iniquitous bill like this, it is the Provincial Secretary for Social Development. I don't expect anything better from the flimflam man from Muskoka, but the Provincial Secretary for Social Development should know better.

Hon. F. S. Miller: You never learned much about farming. You feed the chickens to get the eggs. You don't cut their heads off.

Mr. Laughren: I want to tell the minister, I've heard all that before. It only applies to the rich, doesn't it? The only trouble with the Treasurer is that he only provides incentives to the rich. When he provides it to the poor, he says it kills incentive. What kind of double standard is that? That's hypocrisy and the Treasurer knows it.

Mr. Speaker, the Treasurer talks about the need for economic stimulation, the need to create jobs in Ontario. Because of the high unemployment rate in Ontario and elsewhere in this country, it's being used for everything. It is being used to justify everything from unsafe conditions on the job to pollution of the environment, to nuclear development.

Mr. Deputy Speaker: And to the bill before us?

Mr. Laughren: Yes. This Treasurer, Mr. Speaker, would approve a germ warfare testing centre in downtown Toronto if he thought it would create employment. That's where his head is when it comes to the creation of jobs.

I want to tell you, Mr. Speaker, the need to create jobs has become the latest refuge

for the scoundrel. That's what it's become. I want to tell you, Mr. Speaker, the Treasurer is indeed a scoundrel.

Hon. F. S. Miller: On a point of order: Isn't that getting—I'm many things but—

Mr. Nixon: You have gone too far. Withdraw "scoundrel" and substitute something else.

Mr. Deputy Speaker: I appreciate the words used by the member for Nickel Belt, but I'm sure he could find something probably a little more parliamentary.

Mr. Laughren: Mr. Speaker, I did try. I would say that the Treasurer is engaging in fiscal deceit; he is using specious arguments to justify his own elitist determination to protect that segment of our society that fawns on him. That's exactly what he's doing. He is simply protecting the property of those who need no protection at all.

I would quote from a paper entitled "Transfer Taxes: Their Effect on Productivity and Control of our Economy," by John Savage and D. Van Den Buleke, a paper prepared for the Ontario Economic Council in 1968. This is what they have to say about the succession duties in Ontario, which first came into effect in 1892.

Hon. F. S. Miller: That was before capital gains.

Mr. Laughren: "Quilted in 1892, the now holey and drafty Ontario Succession Duty Act has been patched and fringed over the past 75 years until today it is a tattered and frayed remnant, providing the most complete coverage of those estates whose possessors have likely been similarly attired in relative tatters, while the heirs of the well-advised capitalists are attired in relative splendour as the benefactors of a carefully planned delivery of their successions through one or more of those gaping holes."

That's what we think, and others think, of the kind of tax system we've got in the province of Ontario. The Treasurer should know that already in the province of Ontario there are exemptions for all estates up to \$300,000. Who is the Treasurer weeping for?

The Treasurer's remark the night the budget was presented was that egalitarianism is b.s. Mr. Speaker, you called me to order for using the word "scoundrel," which so aptly describes this Treasurer. That was not a thoughtless or a throwaway remark by the Treasurer. It was an expression of this Treasurer's contempt for those who have made his life so comfortable. That's exactly what it was.

Hon. F. S. Miller: I came here to suffer.

Mr. Laughren: His life is comfortable because others made it possible for him to be comfortable. He did not achieve it on his own.

Mr. Nixon: He worked hard. He took tickets at Santa's Village.

Mr. Roy: So much for free enterprise.

Mr. Laughren: The Treasurer says that the abolishment of succession duties—

Mr. Ashe: Where does Morty Shulman stand on this one?

Mr. Laughren: I'm the wrong person to ask about the views of Morty Shulman.

The Treasurer says the abolishment of succession duties will make life less burdensome for people. Again what an outrageous deception from the Treasurer. The abolishment of this tax will make life less burdensome for people who already have no burdens, the top three per cent. Does he really think the top three per cent have financial burdens?

Later I'll get to the Treasurer's argument about how succession duties crunch the families who are recipients of a small business. The Treasurer says that other Canadian jurisdictions have abandoned succession duties. He's right, they have; except for Quebec, other jurisdictions have abandoned succession duties.

Mr. Conway: What kind of watered-down socialist are there out west?

Mr. Laughren: I think they are wrong too. I would say that at least when NDP governments have abolished succession duties they replaced them with progressive taxes. You've done the opposite; we in Ontario have the worst of both worlds from this Treasurer. He abolishes succession duties and imposes regressive taxes. That's a lot different from what NDP governments would do in any province in this country.

Mr. Ashe: There aren't many more NDP governments than there are Liberal ones.

Mr. Laughren: This Treasurer has given us the most regressive tax system of any province in Canada and, quite frankly, has earned our contempt for that. I mean that.

Hon. F. S. Miller: Without question, that is a badge of honour.

Mr. Laughren: As a Treasurer, he has earned our contempt with this budget he has brought in. I mince no words with him. That is exactly how we feel.

The Treasurer knows that when a tax such as this one, the succession duties, is abolished, those moneys have to be found

somewhere else. Guess where the Treasurer finds them. We know, don't we?

Mr. Nixon: Where? Tell us.

Mr. Laughren: We have been debating some of them tonight: sales taxes, Ontario Health Insurance Plan premiums. Did my friend really not know?

Mr. Nixon: I can guess.

Mr. Laughren: I think he did. From sales taxes, from the tax on cable television to the gasoline tax, the Treasurer found his replacements to make up for the taxes that were lost from the top three per cent. Ordinary working people will derive no benefit whatsoever from the abolishment of this tax. As a matter of fact, they will pay more, because they have to make up for the lost revenues from the abolishment of succession duties.

Perhaps the Treasurer can get up and tell me how the construction worker, the miner, the teacher, the civil servant, the farmer, the small businessman are going to benefit. How is the truly small businessman going to benefit from the abolishment of this tax? Perhaps he can tell us who is going to benefit from the abolishment of this tax. We know who is going to benefit. We know full well.

In 1967, the Ontario committee on taxation had something to say about succession duties. As a matter of fact, they had quite a bit to say about succession duties.

Mr. Nixon: That was a royal commission; it was headed by Lancelot Smith.

Mr. Laughren: Yes, it certainly was; and it had some very good things to say about succession duties. I would like to quote to you, Mr. Speaker, because I know that, with your numerous duties, perhaps you have not had a chance to read all the comments that the Smith committee made on succession duties.

Mr. Nixon: It wasn't a select committee.

Mr. Laughren: I'm sorry; did I say "select committee"? I didn't mean a select committee. It was a royal commission. It was a select committee of this Legislature that examined the Smith report.

This is a quotation from the Ontario committee on taxation:

"Wealth taxes cannot be justified in any form at the provincial level by any strict interpretation of the principle of benefits received. Yet there is considerable merit in the point of view that holds that the private accumulation and maintenance of wealth are made possible, in good part, by the actions of government in creating and protecting

the economic and social structure within which such assets are amassed. This contribution by government is surely of greater value than the cost of providing the services paid for through taxes. It can be argued that the state, as a silent partner in the accumulation of private fortunes, properly should share on behalf of all citizens in the prosperity of its more affluent members."

Perhaps the Treasurer wishes to be a bigger partner in the accumulation of wealth but then not make any claims against that accumulation as a partner. Talk about being a silent partner; he is a dumb partner. He is not going to get anything out of his contribution to the partnership.

The report goes on to say:

"Since the strength and growth and indeed the very foundations of our economic system depend upon the willingness and ability of private citizens to accumulate and invest capital, these consequences are held to be anathema. On the other hand, a democratic society such as ours, espousing political equality for all its citizens, cannot permit undue concentration of wealth in the hands of a few. Though differences in wealth will always be with us, extremes of affluence and poverty must be prevented in the interests of a stable society. While other arguments may have been added in the theoretical support of egalitarianism, there is a continuing validity to Plato's warning that the state should avoid riches and poverty"—speaking of Plato, in walks my colleague the member for Lakeshore (Mr. Lawlor—"for the one produces luxury and idleness and revolution, the other revolution and meanness and villainy besides." A reasonable tax on wealth is one way of ensuring a proper balance between these two objectives, capital accumulation and control of extremes of wealth."

[9:30]

That sounds most reasonable to most reasonable men because most of us would agree that death taxes, succession duties—it doesn't really matter what you call them—are in fact a tax on wealth. Quoting from the Smith committee:

"Death taxes, if adequately protected by gift taxes, are admirably suited to control the growth in this country of an economically powerful minority whose influence is based upon inherited wealth. By this device the amount of capital that passes from one generation to another can be controlled, an essential safeguard for the basic fabric of a democratic society.

"Moreover, because the tax is not payable until death, this end is achieved with a mini-

mum deterrent to working and saving during a man's earning and creative life. We realize, however, that the objective of limiting undue accumulations of wealth can be defeated by sophisticated tax planning."

The Smith committee recognized the validity of this but also put in a proviso that they understood that sophisticated tax planning could avoid a lot of this. They go on:

"From the foregoing discussion of the various forms of wealth taxes we conclude that Ontario should impose a tax on wealth, and this tax should take the form of a death tax."

I know what the minister is going to say. He is going to say we now have capital gains tax and therefore we can forgo succession duties. What a joke. Is he really making a relationship between capital gains tax and taxes that pass at the time of death of a wealthy person? They are totally different principles and the Treasurer should understand that.

I want to quote further from the Smith report.

"There is no doubt that death duties which are imposed at progressive rates weigh more heavily on the rich than the poor."

That in itself is reason enough in the Treasurer's mind to abolish the tax, that in itself is reason enough to abolish the inheritance tax and raise OHIP premiums. It really is wearisome to have to cope with the Treasurer's persistent drive to make our tax system ever more regressive.

I would like to perhaps anticipate an objection of the Treasurer by quoting further from Smith:

"We have been told that succession duties have a harmful effect on owners of private businesses. It is contended that the tax forces the sale of businesses, often at the most inconvenient and critical times, frequently resulting, it is alleged, in the expatriation of the ownership of Canadian concerns.

"We have also been told that elderly entrepreneurs do not respond to pressures to continue the expansion of their businesses because of the need for consolidation of and the provision of liquidity in their estates.

"We have been deeply concerned with these arguments since we would seek to avoid any consequences of tax policy that prejudice Canadian ownership of business enterprises within an expanding economy.

"However, not only did no one present to us any conclusive examples of Canadian-owned businesses having been sold to foreign interests because of death duties, but our own researchers were equally fruitless in bringing specific cases to light and in each instance of which we are aware, succession

duties were at best a marginal consideration, not the motivating or deciding factor in the sale."

Mr. Lawlor: That's right.

Mr. Laughren: A final quote from Smith has to do with the province of Alberta, because I know the Treasurer will dredge up every conceivable excuse to justify this elitist kind of taxation.

Mr. Lawlor: Alberta does more to destroy this country than Quebec.

Mr. Laughren: I quote from Smith:

"Recently the government of Alberta has enacted legislation to refund to the estates of domiciliaries and certain residents the portion of the federal estate tax which is paid over to that province. Saskatchewan has indicated that it may take similar action. There has also been some agitation in Quebec to abandon the succession duties.

"In our opinion it would be improper for Ontario to repeal its death tax. For the reasons we have given we consider the succession duty to be the most appropriate method of taxing wealth in the provincial tax system." So let us dispose of all the arguments that have to do with why the Treasurer is abolishing succession duties and get right to the heart of it: It is a tax on wealth, and that is what the Treasurer is fundamentally and ideologically opposed to. That is the only reason he is doing it.

Mr. Speaker, lest you think that the Smith committee was expressing views that were radical and not expressed in earlier years, I would like to take you back a few years to some people who expressed similar views; people from—there are quite a few, as a matter of fact—John Stuart Mill, with whom I know the Treasurer communicates.

Hon. F. S. Miller: What's the date of the book? When was it published?

Mr. Laughren: This book was published in 1918.

Mr. Bounsall: The Treasurer had it in first-year English. He took the same course as I did; so I know he had to read it.

Mr. Laughren: Is the minister saying that because John Stuart Mill said it many years ago that it is therefore invalid?

Hon. F. S. Miller: No. I just wanted the date for rebuttal.

Mr. Lawlor: The Treasurer hasn't had a single new thought since 1918.

Mr. Laughren: I know the Treasurer would like to know what John Stuart Mill would say. Writing in his autobiography, John Stuart Mill said—and he is talking about himself and his wife: "We look forward to

a time when society will no longer be divided into the idle and the industrious; when the rule that they who do not work shall not eat will be applied not to paupers only but impartially to all." Does the Treasurer know what that means? It means that people who inherit a large amount of wealth can be as idle as people who have no wealth. But we do not talk about them that way. We only talk about people being idle who do not have wealth, and the Treasurer would abolish this wealth tax.

There also was Jeremy Bentham. He was, as my colleague from Lakeshore should be, a renowned jurist—

Mr. Lawlor: I haven't got time.

Mr. Laughren: —my colleague who some day will be a renowned jurist.

Mr. Nixon: If he wants to be a renowned jurist, you people ought to take up a collection for him.

Mr. Lawlor: All donations gratefully received.

Mr. Laughren: Jeremy Bentham also dabbled in economics; so the Treasurer should listen to him. What Jeremy Bentham would do is have all inheritances revert to the state, because he could see the evils of inheriting great wealth.

A little later than those fellows, there was the Minnesota Tax Commission. They had this to say, talking about inheritance tax: "This method of increasing the public revenue is wise, simple and effective." Think of those three words: "wise, simple and effective." "Wise, because it does not touch private property during the life of the owner and thus places no burden on business activity. Simple, because the tax is easily ascertained and collected while estates are in a probate court. Effective, because by the application of progressive rates it adds no burden to the poor but permits those who have much to contribute to the government somewhat in proportion to their ability to pay. It invades no natural rights. It violates no maxim of the law. It overleaps no constitutional barriers. It is neither revolutionary nor socialistic." Well, I will continue anyway. "But it is on the contrary a measure of practical wisdom and social justice and has been truly styled an institution of democracy. Another desirable feature of the inheritance tax is that it cannot be shifted." It is, I say, to the Treasurer, a tax that is wise, simple and effective. Perhaps that in itself is reason enough for the Treasurer to abolish it.

I would not want the Treasurer to think that I was quoting only from people who

have the same background as I. There was a fellow of the Treasurer's ilk who had something to say about inheritance taxes too. His name was—is the Treasurer ready for this—Andrew Carnegie. This is what your friend Andy had to say. He said—

Mr. Deputy Speaker: I hope the honourable member is aware of standing rule 19(d)(4).

Mr. Laughren: No, I am not. Perhaps you could put it to me. Would you do that?

Mr. Deputy Speaker: "In debate, a member shall be called to order by the Speaker if he . . . in the opinion of the Speaker, refers at length to debates of the current session, or reads unnecessarily from verbatim reports of the legislative debates or any other document." So I would just ask the honourable member to refrain from extending that rule.

Mr. Van Horne: It's the equivalent to wearing argyle socks, Floyd.

Mr. McClellan: That would really take care of ministerial statements, wouldn't it?

Mr. Van Horne: It is called the Laughren syndrome.

Mr. Laughren: I don't understand whether the Speaker is making a rule or not. Are you really telling me that I cannot quote from people like Jeremy Bentham and John Stuart Mill and Andrew Carnegie, who have not been in this Legislature for years? Cannot I quote them to substantiate an argument I am making on second reading in a highly principled debate? Is that what you are saying, Mr. Speaker? If you are not, I will carry on with what Mr. Carnegie said.

Mr. Deputy Speaker: Order. I appreciate the question posed by the honourable member. I believe that standing order states that reading from debates or other papers are within order for a short space of time, if they are not too lengthy.

Mr. McClellan: On a point of order, Mr. Speaker, do I take your ruling to mean that from now on we will not have ministerial statements read at the beginning of the House every day?

Mr. Ruston: That doesn't deserve an answer.

Mr. Deputy Speaker: I was just informing the honourable member of the standing order set out in the legislative standing orders.

Ms. Gigantes: A very short reading.

Mr. Van Horne: A very short member.

Mr. Laughren: I honestly thought it would be making a contribution to debate in the

Ontario Legislature to quote from people like John Stuart Mill and Jeremy Bentham, but if you rule otherwise that's fine, because you live with the ruling.

Mr. McClellan: Whom do you expect to enforce it?

Mr. Laughren: And I find it surprising that no one quote has been at length—no one quote from any source has been at length.

Mr. Van Horne: Ad nauseam, but not at length.

Mr. Laughren: Mr. Speaker, I hope you will permit me to give two short quotes from Andrew Carnegie. He said: "The almighty dollar bequeathed to children is an almighty curse. No man has a right to handicap his son with such a burden as great wealth." Well, that's Andrew Carnegie.

Mr. Nixon: Did your father believe that too?

Ms. Gigantes: Is that wrong, Mr. Speaker?

Mr. Laughren: The Treasurer would probably regard that as blasphemy, but that's what Andrew Carnegie said. Well, Mr. Speaker, we know that there are—

Mr. Lawlor: It's what the Liberal members of the Smith committee said too. I was on it. It was my baptism of fire. I was burned, I never got over it.

Mr. Laughren: Mr. Speaker, we know there are ideological differences between this party and the government and the official opposition—

Mr. Conway: I don't believe it for a moment.

Mr. Laughren: —but we sometimes forget just how profound those differences are. Every now and again a bill like this comes along to jog our memory.

We, as socialists, believe that we have an obligation as legislators to work towards a more egalitarian society. We believe that an egalitarian society can best be achieved in a society that encourages co-operation and sharing. We are opposed to predatory behaviour, whether in competitive practices or in the accumulation of wealth. We think that the accumulation of wealth by a very small minority is dependent upon predatory practices.

It follows then that the passing on of accumulated wealth to succeeding generations can only lead to a society motivated more by meanness than by generosity. That's how we feel as New Democrats and I would urge the Liberal Party to stand with us in opposing this bill. This is not a bill that

should pass through the Legislature of this province. If I have failed to inspire the Liberal Party—

Some hon. members. You have.

Mr. Laughren: If I have failed to inspire you—

Mr. Ruston: You have read too much from that book.

Mr. Martel: What did Bob Nixon say in the last debate on this?

[9:45]

Mr. Samis: There are many Liberals who have failed to inspire them.

Mr. Laughren: Mr. Speaker, if you have a sense, as I do, that I have not inspired the Liberal Party, perhaps I could—and I know you are going to keep a close eye on me here—go back a little bit in time to what was said a couple of years ago, well it was 1973 and 1974, when there were amendments to the Succession Duty Act. In 1973—I will be very, very brief—Mr. Breithaupt said—and I think Mr. Breithaupt in 1973 was the Treasury critic. He said:

“We believe that it is quite reasonable and logical for the province to accept the responsibility and to share in the benefit of taxation of large estates as they pass between generations. We would not like to see that removed, because I think that even though there are a small number of such estates, the benefits which are received are a reasonable expectation of the sharing by the community in the facilities which the community has in fact provided, that has allowed this wealth, at least to a degree, to have been accumulated and developed in the first place.”

That was the position of the Liberal Party in 1973.

Mr. Martel: Oh, they've switched again.

Mr. Samis: Even the member for Renfrew North agrees with that.

Mr. Laughren: We move on to the next year in which the Succession Duty Act was amended, which was 1974. I can't go on without stopping for a moment and paying tribute—I know I will embarrass him—to my colleague from Lakeshore who made the definitive statement on inheritance succession duty taxes back in 1973.

Mr. Lawlor: I give up on them now.

Mr. Laughren: It was one of the finest addresses that I have ever read.

Mr. Conway: Give us a paraphrase.

Mr. Laughren: No, no. The Speaker would rule me out of order. I won't do that to you.

But I would move on to 1974 when there was a further amendment to the Succession Duty Act, and this is none other than the member for Brant-Oxford-Norfolk, Haldimand, Dehli, Caledonia, Hagersville—

Mr. Martel: What did he say? Tell us what he said. He is blushing. Tell us what Bob Nixon said.

Interjections.

Mr. Laughren: I will try and be brief, but he was articulate on that particular day, and this is from page 3335 of Hansard, Monday, June 17, 1974.

Mr. Lawlor: Oh, what a black day that was.

Mr. Nixon: One of the better days in the Legislature.

Mr. Laughren: Mr. Nixon said, “Frankly”—I am quoting now—“I support the principle of maintaining succession duties.”

Interjections.

Mr. Acting Speaker: Will the member address the chair, please, rather than the members of his party?

Mr. Nixon: That is right, Mr. Speaker.

Interjections.

Mr. Laughren: I do not want to be accused of taking it out of context, so I want to finish.

Mr. Nixon: I don't mind.

Mr. Laughren: After he said: “Frankly, I support the principle of maintaining succession duties. And I must admit to you, sir, a certain distinct problem in my own mind: I suppose we can all think of instances when people who had a great influence on us in earlier years, expressed opinions. I can recall sitting around our breakfast table at home in St. George, reading the Globe and Mail, when the estate of the late Harry Oakes was probated. You may recall, sir, that Harry Oakes was a multimillionaire who had done extremely well out of the resources of this province. He had moved to Nassau for tax reasons—also I understand the climate is quite pleasant down there—and he had moved most of his assets with him. Though we shouldn't forget the fact that he had left certain emoluments to the province, like the Harry Oakes garden in Niagara Falls and certain other things, he really took most of his assets with him. But some of them were not transportable, and upon his, what you would call I suppose untimely death—which was never solved—I didn't know you could solve deaths, but anyway—“the province of Ontario saw fit to tax \$8 million in succession duties on his estate. I remember

expressing to my father, the former member for Brant, some surprise at the size of that tax bite, and my sainted father"—I don't dare add to this—"saying, 'You shouldn't be so worried; it should be 10 times that big.'"

Interjections.

Mr. Laughren: The member goes on, and I still don't want to take him out of context: "I've always felt sort of as the aftermath of his opinion that succession duties have been historically a basic and important means to redistribute wealth, wealth that was garnered by hard work, perspicacity, intelligence and undoubtedly good luck. The succeeding generations, while they have always had access normally during the lifetime of the patron of the family to good education and certain other assets, I have always felt—"

Mr. Nixon: Is this still me?

Mr. Laughren: "—should not be so unduly favoured as to be able to take the estate without decrease by succession duties."

I will not go on. But finally, he says, after some interjections, "I can tell you, Mr. Speaker, that I am glad the government has renounced, at least for the time being, its policy of attempting to become a third-rate tax haven of the type that would attract the multimillionaires of this part of the hemisphere to retirement here. I don't think, really, we could do it; our climate is better than Alberta's, but not as good as Nassau's."

Mr. Martel: Where are those people tonight?

Mr. Lawlor: Shades of E. P. Taylor.

Mr. Conway: We will call it the Harry Oakes election.

Mr. Laughren: The member for Renfrew North refers to an election. We understand in this caucus that when we vote against a bill like this it is putting certain things on the line. I can think of no better principle on which to put it on the line than succession duties or their abolishment.

Mr. Conway: So you would lose another 12 inches overnight.

Mr. Laughren: This bill is important. It has the indelible Frank Miller stamp on it.

Mr. Ruston: The three-dollar election.

Mr. Laughren: He has staked out his territory on the side of the privileged in the province as no other Ontario Treasurer has done in recent memory. If the Liberals support this bill, they will in effect be ordering the Liberal Party of Ontario to draw their wagons in a circle and fire inwards.

Mr. Nixon: Mr. Speaker, I want to congratulate the member for Nickel Belt on his

excellent address. The fact that he quoted John Stuart Mill and myself in one breath indicates he has tremendously good judgment when he selects the philosophical basis for his remarks. I do, however, regret the absence of the member for Beaches-Woodbine (Ms. Bryden) from this debate, because her contributions previously as Treasury critic were certainly welcome. There was a lightness, a humour, a sensitivity in her remarks that unfortunately we miss at the present time. But I suppose you have got to move with the times and Environment's gain is our loss in this debate.

I really appreciate the honourable member quoting me. I was going to tell the same breakfast-table story tonight about my sainted father. I can recall very clearly that he went on, after saying that the tax should be \$80 million, not \$8 million, and he said—naturally—one of the things that Liberals must guard against at all costs is double taxation. That's the way I recall his words. I will check with my mother, but that's the way I remember it.

Mr. Martel: Boy is that a double flip.

Ms. Gigantes: Shameless.

Mr. Nixon: One of the things the NDP forgets, even when they quote Commissioner Lancelot Smith, is that at the same time there was a federal royal commissioner, a chap named Carter. He made a comment that appealed to me then, and I regret that our federal cousins have not really enacted his principle in our tax laws at that level. That is, that a buck is a buck. If you inherit a buck, you pay the income tax on it. This is sometimes construed as a capital gains, and that is precisely the way that capital gains taxes are paid.

I have a case in my constituency now that was brought to my attention by some good solid dirt farmers in the constituency of Brant-Oxford-Norfolk. In this instance, these people are really the salt of the earth. They are rather rough diamonds in many respects. Their boots are dirty. The member for Nickel Belt wouldn't understand precisely what I mean, being a northerner, basking on the shores of the lakes and swatting mosquitoes.

Mr. Martel: With a sledgehammer.

Mr. Nixon: Under these circumstances, the property was owned by an older uncle. Through God's good grace, the gentleman went on until he was about 96 years of age. When he died an untimely and early death, the property went to his heirs, who, as I say, tend cattle, clean out stables and work in the fields. They found that because of the extremely high cost of land in the area the capital gain on a very small holding of about

85 acres was evaluated at something like \$160,000, and \$80,000 on the tax base was added to the income of his hardworking heirs.

Even without the succession duties that we're abolishing tonight, it really meant the sale of that property. I think the capital gains tax is a heavy tax indeed. It certainly was part of the conception of the development by Edgar Benson, whom we all respect in the House—

Mr. Martel: What year was that?

Hon. F. S. Miller: In 1971.

Mr. Nixon: —and who was Minister of Finance for Canada when the tax was introduced, that the provinces would share. There was an agreement across the board, in fact across Canada, as I recall, that succession duties at the provincial level would be phased out, which certainly accounts for the fact that we were prepared to support them during that phase. But now it is time that they are abolished. We in this party feel that double taxation is something that cannot and should not be supported.

There have been many good examples actually of other governments that have gone this way. You may have noticed, Mr. Speaker, by way of interjection, that the government of Saskatchewan, headed by the chief guru of Canadian socialism, Mr. Blakeney, found that it was good judgement on its part to follow this agreement that had been entered into some time ago. Death taxes, as the honourable member calls them, have been repealed in that province as well.

The province of Quebec has retained them. And it may very well be that they will retain them as a basis for some kind of fancy finance—

Ms. Gigantes: They have a progressive income tax there.

Mr. Nixon: —during the period when they expect a certain degree of transition. The Treasurer, however, might be interested to know that in hard times in this province—hard times were Liberal times, as he may recall—

Mr. Gregory: They still are.

Mr. Nixon: —and I say it before he does—something like 45 years ago when there was not much money coming in from the income tax or any other source, the Treasurer of the day brought his budget into balance—a word that this Treasurer doesn't use very often, except in his wildest projections. He brought the budget of the province into balance by means of succession duties. So it has had an honourable base in the financing of the programs of this province in times when the

total budget was considerably less than it is now. But times change.

I felt the federal royal commissioner, Mr. Carter, in making his recommendation, made a blueprint that was followed at least in part by the government of Canada and is finally being followed by the government of this province. It's pretty hard to be a tax haven when we're the only province, other than Quebec, maintaining succession duties. The course of events has made the remarks my honourable friend quoted so effectively rather academic at this stage.

There was a time when Alberta was the only province that had abolished these special taxes, but now we are all following suit. In my view, it's about time and it shows good judgement and we support it with some alacrity.

[10:00]

Mr. Bounsall: I will be very brief because the members of the House are all concerned that as many votes as possible take place tonight. We do, indeed, wish to vote on this bill.

We, in our party, want very much to vote against this bill. I'd like to tell the House that our feelings are the same as were articulated by the member for Nickel Belt this morning in our caucus. The prospect of voting against this bill has not inspired as great an ideological orgasm since the Waffle left. That's the way we, in this party, feel about the abolition of succession duties.

It's a fundamental taxation that must take place when the wealth of one generation passes to another, in order that equalization and equality of opportunity may take place in this province as well as, from a governmental level, having funds from a very admirable and socially acceptable source with which to finance its programs. The fact that we're abolishing a tax that applies to the wealthiest three percent in this province says exactly where this government stands in terms of its attitude towards the wealthy and the rest of the taxpayers in this province.

It is interesting to realize that during the course of the 12 months this budget is to run, the money we are not going to receive in revenue, estimated by the Treasurer to be about \$50 million, is just equal to the amount of extra moneys that have to be raised by the increase in the OHIP premiums. That will not be lost on the taxpayers of Ontario, when the time comes to talk about this on the hustings which, as the member for Nickel Belt has indicated, we most certainly will.

Going back over the history of succession duties and succession duty taxes, I certainly won't be as informative, nor as interesting or

beguiling as the member for Nickel Belt in the entirety of his remarks. However, let me say that it was my understanding, from a federal-provincial conference, that the federal government had finally decided to get entirely out of succession duties.

There was an agreement with the provinces that taxes were to be shared in a more equitable way between the federal and the provincial governments; that the federal government would opt out of the field entirely so the provincial governments solely could collect what was considered to be a very legitimate source of fairly large revenue for the province. I believe that took place in 1972, so, it has taken the province of Ontario a short seven years to abandon it completely when it was given into its own jurisdiction and had been thought to be, by those concerned at that federal-provincial conference, a field of revenue which the provincial government would, and should, entirely occupy.

I won't go on any further than that. I oppose the abolition of succession duties most strongly. There isn't a member of this caucus who wouldn't reiterate every word and sentiment of our financial critic, the member for Nickel Belt, in his remarks with respect to the succession duty and how much we are opposed to its abolition. I would think, in months and years to come, that people in this Legislature and across Ontario would look back to tonight and mark this as a dark evening, an evening in which succession duties in this province were formally abolished. It will remain dark until we have power; when we will certainly reinstitute them.

Mr. Ruston: I am happy to participate in this debate. I was interested in what the last speaker said about how he was happy to have this vote on record tonight and how important he thought it would be. But I would just say to him that abolishing succession duties was in my opinion a wise decision. I am in favour of it completely, and I will tell you why, Mr. Speaker.

With succession duties plus capital gains tax, if a family had acquired a farm back in 1850 and farmed it every day from that day until now, it would have to pay for that farm in duties, if we keep on the way we are going. I happen to know someone close to my own place who, when the family farm was turned over to one of the relatives about 10 or 15 years ago, had to borrow \$15,000 to pay off the succession duties on it.

A neighbour of mine passed away not long ago. The problem is the evaluators from the capital gains and succession duties people came in and put a value of \$390,000 on this

farm. That farm is not worth \$150,000 to grow corn and soya beans on, yet they put a price of \$390,000 on it. Now they have to sell it and get off the land if these taxes are kept on; they have no alternative.

I just wonder if it is NDP philosophy that they want the government to own all the land. I know some of them do; I could mention one or two but I won't embarrass them. They don't want even to own their house and think the government should own the property their house is on. But I am telling you, Mr. Speaker, if that is what they want I won't worry about the vote tonight. I will go up and down every concession in Essex North and let the member from the NDP do the same thing and see where he will end up in the election.

Mr. Charlton: I will be very brief. I think most of the points on this bill have been made reasonably well by the member for Nickel Belt—

Mr. Nixon: "Reasonably well?" That's faint praise.

Mr. Bounsall: Admirably well.

Mr. Charlton: —but I too want to rise in opposition to this bill and just take a moment to point out a number of things to the Treasurer so he is very clear in his mind where this opposition comes from.

In relation to this bill the Treasurer said, on a number of occasions, that the \$28 million and the prospective \$50 million or \$60 million in future years that the removal of this tax is going to cost the province is not a lot to get upset about. But we have just gone through a whole series of tax bills; we have listened to the Minister of Revenue tell us repeatedly, on amendments which I have moved to reduce consumer taxes, that he has great sympathy for the amendment but we have to get the revenue to run this province from somewhere. We heard that on gas tax; we heard that on motor vehicle fuel tax; we heard that on land transfer tax; we heard that on retail sales tax; we heard that right down the line this afternoon, Mr. Speaker.

The Minister of Revenue is sitting right behind the Treasurer just now. He has come back into the House, and perhaps the Treasurer should discuss with him the sympathy he felt for our amendments, but his concern over where the revenue to replace those amendments would have come from. This bill removes the succession duties tax, which only affects the top three per cent of society in Ontario, part of where the revenue to replace those consumer taxes—those taxes that hit right at the very bottom people in this province financially—could have come from.

This is one of the areas that could have been used to protect those people already under excessive pressure from property taxes and every other indirect tax that has been slapped on them in this province.

If the Treasurer had not taken this action in the budget and here today to remove the succession duties tax, at least in part the other tax increases that are being imposed this year could have been avoided.

Mr. Lawlor: May I just speak for a moment on this matter? Will you permit me, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Lawlor: Thank you. I think it should be well understood that capital gains taxation is not identical with estate taxes or death taxes or wealth tax as such. There are large areas in which they overlap. If they overlap, I will concede to the member, who has certainly reversed himself tonight and turned himself inside out on the particular issue, then one ought to be played over by way of one deduction against another.

Surely Conservatives agree with us, whatever the Liberals may do on this kind of issue, with a sense of society that I think is shared to some degree, that when pools of wealth pass from generation to generation, nothing is more invidious or detrimental to a country. If democracy is to mean anything, it must mean something in economic terms too. In the old days, a fellow by the name of Deacon over here used to argue that it was effeminate. It weakens the fibre of the nation to permit wealthy fathers to visit great wealth upon their children.

According to the government's own free-enterprise philosophy, you have to make things on your own. You have to have the gumption, the forthrightness and the aggressiveness to go out and make it on your own, Mr. Speaker. But what happens? The government confirms just the opposite every damn time. It says let the parent keep the child in sloth and in various forms of jet-setting. Let him live in Monaco. The government runs just directly counter on a moral basis at least to its whole announced philosophy.

We've argued this before in this House. I wasn't going to bother again tonight as I think it's useless to point it out to the government. However, I put it to the minister that there are large areas where a wealth tax is perfectly valid and which would not attract capital gains. Lawyers exist in order to set up trust agreements and to set up various devices in order to manipulate this whole thing. We don't see the rich getting any poorer because of capital gains taxation.

But, if the government had a proper wealth tax on top or a proper wealth tax to move into those areas of opening in between where the capital gains operates, then we might some day just hope to see a more egalitarian society than what we're going to get now.

Hon. F. S. Miller: I thought we had to be through at 10:15, Mr. Speaker. I have to reply.

Mr. Germa: I'm sure the Treasurer can wait for two more minutes to hear from someone who has a view on this class legislation, and this is class legislation if I ever saw it. We know what class the Treasurer is supporting in this. He is supporting the wealthy class.

Many of us have had parents who have deceased and have inherited our parents' wealth. In my case, it was a hard hat, a pair of safety boots and a lunch bucket. That's where most of us are in this society.

What the Treasurer is talking to here is three per cent of society, that wealthy group in a society which has accumulated wealth. There is no better time to distribute the wealth than when they are deceased. If any tax system is going to work, it has to indicate that there is equity in the system. There is no better time to impose equity in the system than when a person has deceased. For that reason I would choose to vote against this bill.

[10:15]

Hon. F. S. Miller: Every so often we do get a bill which clearly differentiates the socialist from other people in the world. I am just delighted therefore to argue this on the merits of the case the member put forward tonight. I truly believe he has just got a mixed-up view as to what wealth does in this world. He truly does believe that if you take away from somebody, you somehow make somebody else richer. That's just where he is wrong, in his total approach to the whole issue. The removal of wealth from a few does not make others better off.

We already have the capital gains tax. It has been enumerated here. In fact, I would go so far as to say the capital gains tax probably should be indexed, because currently the capital gains tax truly is a tax on capital, not just on gain. I think one needs to look at that issue before too long or else we are going to be taxing the original asset—not only the change in it due to the rate of inflation these days.

Many of the estates that are subject to this tax really are fixed. They are the land the members talked about. They aren't dollars. They are assets that have a value, sometimes

far in excess of their income-earning capacity and therefore we have caused innumerable hardships to working-class people. He talks about inheriting a hard hat and a pair of boots. I didn't even inherit that. I inherited the debts of a father and I still believe in this kind of approach. I believe it's the only kind of thing that gives all of us the stimulus to go forward and create wealth in an economy which is shared with those less fortunate people through income tax, capital tax, other taxes we have.

All the quotations he had were pre-1971. That's why I asked him the question about the pre-capital gains tax. They were all made at a time when this was a fair source of taxation because we didn't have the alternatives. The Income Tax Act changed in 1971-72 and brought in a more equitable means of taxation. The only people profiting from the great bulk of the estates in this province were lawyers. There was absolutely no need to allow them to profit from that taxation. The only letters of objection I got were from lawyers who said it was a big part of their caseload. Those are the people who weren't that happy with my change.

So I have to say I am delighted to bring in this act. I am proud of this act and I would be glad to meet the member on the hustings any time with this act.

Mr. Speaker: Order. The motion is for second reading of Bill 47. Shall the motion carry?

All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion, the ayes have it.

Normally, we would call in the members but I understand that when the House was in committee of the whole they had agreed to vote on stacked amendments at this time. What is the pleasure and the wish of the House?

Hon. Mr. Welch: Mr. Speaker, it certainly was the understanding that at 10:15 we were going to clear up the revenue bills. Perhaps we could come to some agreement that the same bell could be used to clear the second reading of this bill and then do the work in committee. Could we agree to a 10-minute bell for that purpose?

Mr. Speaker: Is there unanimous agreement? Call in the members.

The House divided on Hon. F. S. Miller's motion for second reading of Bill 47, which was agreed to on the following vote:

AYES

Ashe; Auld; Belanger; Bennett; Bernier; Birch; Campbell; Conway; Cunningham; Cureatz; Drea; Eakins; Eaton; Elgie; Epp; Gaunt; Gregory; Grossman; Haggerty; Havrot; Henderson; Hennessy; Hodgson.

Johnson, J.; Kennedy; Kerr; Kerrio; Lane; Maeck; Mancini; McCaffrey; McCague; McGuigan; McKessock; McMurtry; McNeil; Miller, F. S.; Miller, G. I.; Newman, B.; Newman, W.; Nixon; Norton.

Parrott; Peterson; Ramsay; Riddell; Rotenberg; Rowe; Roy; Ruston; Scrivener; Snow; Stephenson; Sterling; Taylor, G.; Timbrell; Turner; Van Horne; Villeneuve; Walker; Watson; Welch; Williams; Wiseman; Worton.

NAYS

Bounsall; Bryden; Charlton; Cooke; Davidson, M.; Germa; Gigantes; Isaacs; Johnston, R. F.; Laughren; Lawlor; Lupusella; MacDonald; Mackenzie; Makarchuk; Martel; McClellan; Philip; Samis; Swart; Warner; Wildman; Zimba.

Ayes 65; nays 23.

Third reading also agreed to on motion.
House in committee of the whole.

LAND TRANSFER TAX AMENDMENT ACT

(concluded)

Resumption of consideration of Bill 57, An Act to amend the Land Transfer Tax Act, 1974.

On section 1:

The committee divided on Mr. Charlton's amendment to section 1, which was negatived on the following vote:

Ayes 23; nays 65.

Section 1 agreed to.

On section 2:

The committee divided on Mr. Charlton's amendment to section 2, which was negatived on the same vote.

Section 2 agreed to.

Bill 57 reported.

RETAIL SALES TAX AMENDMENT ACT

(concluded)

Resumption of consideration of Bill 58, An Act to amend the Retail Sales Tax Act.

On section 1:

The committee divided on Mr. Charlton's amendment to section 1 of the bill which was negated on the same vote.

Section 1 agreed to.

Bill 58 reported.

CORPORATIONS TAX AMENDMENT ACT

(concluded)

Resumption of consideration of Bill 59, An Act to amend the Corporations Tax Act, 1972.

On section 11:

The committee divided on the motion that section 11 stand as part of the bill, which was agreed to on the same vote reversed.

Bill 59, as amended, reported.

On motion by Hon. Mr. Welch, the committee of the whole House reported two bills without amendment and one bill with amendment.

THIRD READINGS

MOTOR VEHICLE FUEL TAX AMENDMENT ACT

Hon. Mr. Maeck moved third reading of Bill 54, An Act to amend the Motor Vehicle Fuel Tax Act, 1972.

Mr. Nixon: Mr. Speaker, on a point of order. Surely, sir, you will have noticed that the time for adjournment has long since

passed and we're doing business that might very well be done next Tuesday.

Mr. Speaker: It is my understanding there was unanimous agreement for second reading of Bill 47 and unanimous agreement to hold the stacked votes on the bills in committee. It is my understanding there is no agreement to go beyond that.

Hon. Mr. Welch: Are we being denied unanimous agreement to do four third readings now?

Mr. Nixon: Does the minister want us to do four third readings at this time of night?

Hon. Mr. Welch: Yes.

Mr. Nixon: What's in it for us?

Hon. Mr. Welch: Nothing.

Mr. Speaker: Do we have unanimous agreement?

Agreed.

Mr. Nixon: As long as you don't tax my estate.

The following bills were given third reading on motion:

Bill 54, An Act to amend the Motor Vehicle Fuel Tax Act, 1972.

Bill 57, An Act to amend the Land Transfer Tax Act, 1974.

Bill 58, An Act to amend the Retail Sales Tax Act.

Bill 59, An Act to amend the Corporations Tax Act, 1972.

The House adjourned at 10:40 p.m.

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Conway, S. (Renfrew North L)
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Davis, Hon. W. G.; Premier (Brampton PC)
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Worton, H. (Wellington South L)



No. 43

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, May 10, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 10, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

TOURIST INFORMATION CENTRES

Hon. Mr. Grossman: Mr. Speaker, the province's tourist information centres, which have served Ontario well, are we believe an important part of our tourist promotion package. We have been concerned for some time about the effectiveness and attractiveness of some of the older centres and the use of only trailers at one or two key locations.

Mr. Kerrio: Sounds good so far.

Hon. Mr. Grossman: Hang on.

Accordingly, I am pleased to announce an exciting new program to develop our travel information centres. We will be building a new tourist information centre in the fine community of Fort Erie to replace the current facilities.

Mr. Nixon: That's exciting.

Hon. Mr. Grossman: The member for Erie (Mr. Haggerty) isn't even here today.

Construction of this \$350,000 project is expected to begin this summer. The centre is the first of four projects to be undertaken this year as part of a plan to revitalize our information centres across the province. The other projects to be completed in 1979 include the remodelling of our centre at Barrie on highway 400, and the introduction of a new concept in unmanned centres at West Lorne, near London, and at Odessa, near Kingston on Highway 401.

These unmanned centres will be the first of their type in Ontario and will make information available on a self-service basis 24 hours a day. The sheltered kiosks at West Lorne and Odessa will complement the services provided at our tourist office in Barrie and our new permanent site at Fort Erie. We hope to build self-service centres at all 37 of our locations over the next four years.

During this time we also plan to renovate or replace all of our tourist information centres across the province. There was a fire in our Niagara Falls centre last year, and a trailer was installed to serve tourists in the area until last month when the repairs to the

interior of the building were completed. We are in the process of locating a site for a new information centre in the Niagara Falls area.

At this time I'd like to acknowledge the assistance of the Ministry of Government Services in developing our proposal—

Mr. Nixon: And the member for Erie.

Mr. Ruston: And the member for Erie.

Hon. Mr. Grossman: —and for the co-operative way in which it has worked with the tourism division of our ministry.

I have one further statement.

EMPLOYMENT DEVELOPMENT FUND GRANT

Hon. Mr. Grossman: I had the pleasure of meeting with the Smiths Falls Economic Development Commission. At that time I announced the cabinet's decision to provide an Employment Development Fund grant of \$450,000 to Dominion Twist Drill Limited, a division of Litton Business and Industrial Systems of Canada.

As a result of this grant, Dominion Twist Drill will today exercise an option to purchase the RCA plant which recently closed its operations in Smiths Falls. The company will invest \$8.9 million over the next five years. We anticipate that 150 jobs will be created in the community by the middle of 1981, increasing to 300 jobs by 1984. High-skill jobs will be provided as well as lower-skill jobs with opportunity for advancement.

Dominion Twist Drill will manufacture specialized metal cutting tools for the entire Canadian market. The firm will compete effectively with imported cutting tools, contributing to our self-sufficiency in this area.

I am happy to report to this House the successful completion of these negotiations to attract Dominion Twist Drill to Smiths Falls. For \$450,000 we have succeeded in bringing to that community an \$8.9-million investment that would not have occurred in Smiths Falls without this special government assistance.

My colleague, the member for Lanark (Mr. Wiseman), working with Mayor Jack Aboud of Smiths Falls and Dominion Twist Drill's management, headed by Mr. Mel Van Sickle,

deserve much credit for bringing this development into existence.

Mr. S. Smith: Litton industries can afford to build without government help.

Hon. Mr. Grossman: The Leader of the Opposition had better tell that to the people in Smiths Falls because they don't believe it and neither does Dominion Twist. He would gamble with Smiths Falls, but this government wouldn't gamble with Smiths Falls. I'm sure he'll go to that community in the next election and tell them he wouldn't have given that grant to Dominion Twist.

This project typifies the kind of development we intend to support through the Employment Development Fund. It will provide stable, long-term employment, foster the development of needed job skills in the area, contribute to import replacement and stimulate economic development in a traditionally slower growth region of the province.

Mr. S. Smith: They would have built it anyway.

Hon. Mr. Grossman: The Employment Development Fund grant to Dominion Twist Drill exemplifies our government's commitment to ensuring that eastern Ontario as a region maintains and increases its overall industrial strength, especially its strength in high-skill, stable industries.

Mr. O'Neil: Don't forget us then.

Mr. Hodgson: You don't want it.

Hon. Mr. Grossman: I won't but the member's leader apparently will forget him.

Interjections.

MULTIPLE SCLEROSIS CAMPAIGN

Hon. Mr. Davis: Mr. Speaker, on a matter of personal privilege: I was able, with some return compensation, to give to the Leader of the Opposition (Mr. S. Smith) a somewhat reddish-coloured flower in support of the campaign for multiple sclerosis. I did obtain another flower on behalf of the member for Ottawa Centre (Mr. Cassidy), for which I have not yet been compensated, knowing that he would in turn wish to do this.

I would inform him the minimum is \$2 and the maximum is whatever he would like to make it. I want to send this across the House to him, knowing how interested he is in the support of the multiple sclerosis campaign. If he wants to pay the money to me, I will in turn, give it to them; or he can take it out directly himself.

OCCUPIERS' LIABILITY AND TRESPASS REFORMS

Hon. Mr. McMurtry: Mr. Speaker, I am today tabling the government's discussion

paper on occupiers' liability and trespass to property. The paper sets out for discussion purposes proposals, including draft legislation, for necessary reform of the law governing an occupier's liability to those who come on to his land and the law protecting an occupier from trespass to his land. The paper provides detailed examples of the problems that have given rise to these reforms and illustrates how the proposed changes would effect a wide cross-section of interests.

In relation to the liability question, we are proposing that the numerous duties of care that an occupier of land now owes to entrants to his land be replaced by legislation imposing one duty of care on all occupiers. This would sweep away needless legal complexity and remove the public confusion about the care that an occupier must take to protect entrants from injury and himself from liability.

Under our proposals there would be one duty of care on all occupiers: to take such care as in all the circumstances is reasonable to see that persons entering on the premises are reasonably safe while on the premises.

I want to stress that this duty of care would not apply to persons entering for criminal purposes. They would be deemed to have willingly assumed the risk of injury.

As members will recall, the Motorized Snow Vehicles Act of 1974 provides that an occupier of land owes no duty of care to a snowmobiler other than to not create dangers with the deliberate intent of doing harm and to refrain from acting with reckless disregard for the snowmobiler's presence.

As part of this package of reforms, we are proposing that this act continue in force and apply to all land.

While that legislation deals with a specific recreational activity, the government feels there is a need for protections for occupiers who permit their property to be used for other recreational purposes, such as hiking, cross-country skiing, rock climbing and horseback riding.

The desirable growth of outdoor recreational activities, which the government has encouraged with a variety of initiatives, has had some undesirable side effects. Urban residents have flocked in ever-increasing numbers to the countryside, but farmers and other occupiers of rural and wilderness land have become fearful of being sued for damages by persons who might be injured while engaged in recreational activities on their land.

At present, an occupier owes a greater duty to persons he permits to use his land for recreational activities than he does to trespassers. This penalizes the occupier who is

willing to permit recreational activities and discourages this type of benevolence.

For example, hiking trails depend on the use of private land, and trail associations have had difficulty in obtaining the consent of occupiers because the occupiers are afraid of potential liability.

Our proposal in this regard would protect the interests of the agricultural community and promote the availability of land for recreational activities by giving special protection to occupiers of certain designated classes of land, including all rural non-industrial land.

Where entry is prohibited to these lands or where entry for recreational activities is permitted without charge, the liability of the occupier would be limited to dangers created with the deliberate intent of causing harm or to acts done with reckless disregard for the entrant's presence. The entrant would be deemed to have willingly assumed all other risks.

The land designated for these provisions would be as follows: land used for agricultural purposes, including land under cultivation, orchards, pastures and woodlots; vacant or undeveloped land; forested or wilderness land; golf courses in winter; unused or abandoned railway beds; utility rights of way and corridors, excluding structures on such land; undeveloped road allowances; private roads reasonably marked as such; and marked recreational trails.

This approach would effectively remove the occupier's risk and thereby encourage private land owners to voluntarily make land available for recreational activities.

The second part of the discussion paper deals with trespassing.

The present Petty Trespass Act is similar to the act passed in 1834 and in the intervening 145 years has been showing its age; and a number of problems have arisen.

First, the wording of the existing offence is unclear and, along with other factors, leads to difficulties in prosecution. Second, the act does not deter trespass on to land under cultivation, even though significant farm losses are caused by trespassers. Third, the act does not ensure the privacy of occupiers of land or permit the control of recreational activities.

To clarify the effect and purpose of the legislation, we are proposing that the existing act be replaced with three specific offences. They would be: (1) without express permission, the proof of which rests upon the accused, entering premises where entry is prohibited; (2) without express permission, the proof of which again rests upon the accused,

doing an activity on premises when the activity is prohibited; and (3) refusing to leave premises after being directed to do so.

The existing act prohibits entry on lawns, gardens and enclosed lands and provides that entry can be prohibited from other premises by giving oral or written notice and the posting of signs.

[2:15]

We are proposing reforms to deal with these situations and to enhance the rights of occupiers to privacy.

First, we propose to expand the classes of land on which entry is prohibited without the need for giving notice to include fields under cultivation and orchards. This is needed to protect those in the agricultural business from losses which result from crop destruction and theft from trespassers.

We propose retention of the existing system of giving notice orally, in writing or by the posting of signs where notice is required to inform persons that entry is prohibited, or to specify recreational activities that are permitted.

In addition, we propose creation of a system of coloured markings and a code for interpreting signs to promote the availability of land for recreation but still allow the owner full control over the activities he desires to permit on his land.

Because the posting and maintaining of signs is expensive, a system of coloured markings is proposed. Coloured markings would be placed at the ordinary entry points. Red would mean entry is prohibited. Yellow would mean entry is prohibited except for activities specified by the owner, and it would be the responsibility of the person entering to determine which activities are permitted. These markings could be made with paint or other inexpensive materials and could be placed on existing features of the land, such as trees and fence posts.

Because many signs in use are misunderstood and have no legal effect, we are also proposing the creation of a code for interpreting signs. The code would result in the positive entry system. Under the positive entry concept, which is recommended by the Ontario Trails Council an occupier could place signs indicating the recreational uses permitted. The code would provide that a sign permitting a particular activity would mean that all other activities are prohibited. It would also provide that a sign stating the name of an activity or showing graphic representation of an activity is a proper indication that the activity is permissible.

For example, if an occupier granted permission to use his land for horseback riding but no other activity, a sign "horseback riding" or a graphic illustration of the activity could be posted. All other activities would be prohibited and persons engaged in other activities could be prosecuted.

With respect to trails, such a positive entry concept is practical. Certain activities are incompatible with others and the permitted uses can be signified.

The code for interpreting signs would also result in the negative entry concept. Where there is a desire to open large tracts of land to general recreational use with a few exceptions, it would be less expensive and more convenient to list the prohibited rather than the permitted uses. For example, if a thousand acres are to be open to all uses except fishing, it would be more practical to signify the prohibited use.

To facilitate this negative entry concept, the code would provide that a sign indicating that particular activity prohibited means that all other activities are permitted. The code would also provide that a sign stating the name of an activity or containing a graphic representation of an activity with an oblique line drawn through the name or through the representation would mean that the activity is prohibited.

We are also proposing changes to the method of dealing with violators of the new legislation. The maximum fine for trespassing would be raised from \$100 to \$1,000.

To make it easier for an occupier to collect compensation for damage caused by a trespasser, the judge who convicts the trespasser would be empowered to make an order for compensation up to \$1,000. The occupier would also have the option of a civil action to recover damages.

In addition, we are proposing that to facilitate the prosecution of offenders, the trespasser be required to pay the reasonable costs of the prosecution when a conviction is registered.

These proposals are the result of many months of discussion within government, with members of the Ontario Trails Council and with organizations such as the Ontario Federation of Agriculture. In addition, many individuals, particularly the member for Middlesex (Mr. Eaton) and the member for Wellington-Dufferin-Peel (Mr. J. Johnson) have been of great assistance.

The government's proposals are designed to strengthen the property rights and privacy of land owners and at the same time to encourage compatible recreational activities without fear of liability.

We are distributing the discussion paper widely to all interested groups and individuals and hope to receive your submissions by June 30. The government will assess them over the summer and I expect to bring forth legislation in the fall.

To adequately serve the needs of Ontario residents, the law must take into account the diversity and complexity of this province. The law must meet the needs of residents of wilderness regions, agricultural communities, areas relying on the tourist industry and urban centres. The proposals made in this discussion are an attempt to meet the needs of all Ontario residents.

GUELPH CORRECTIONAL CENTRE

Hon. Mr. Walker: Mr. Speaker, this statement is somewhat inspired by a four-page press release put out by the member for High Park-Swansea which was largely, or in a great many parts, inaccurate.

The Guelph Correctional Centre is calm again today as the mop-up of the damaged area continues to be done by inmates. Nineteen inmates were transferred to Millbrook Correctional Centre yesterday following disciplinary hearings. Investigation and disciplinary hearings continue today to determine which inmates were involved and to award appropriate penalties.

On Tuesday morning, following the disturbance, a total of 103 inmates were taken to tunnel areas in the basement of the centre. They were dressed in shirts, pants, socks and underwear—all dry clothing—and were not allowed to retain their boots, because these could be used as weapons.

As a result of investigation and hearings, 52 of the inmates have been removed from the tunnel areas and dispersed to other parts of the institution. Last night some 30 inmates returned to their dormitories, having made the dormitories sufficiently habitable.

The 51 inmates remaining in the tunnel area are divided into two groups, each group located in a different tunnel area. Each of these areas has a toilet and sink, contrary to comments made by the member for High Park-Swansea (Mr. Ziemba).

The member for High Park-Swansea has also made a number of other statements in which it would appear that he has been given incorrect information by the inmates. He implied that the fluorescent lights were broken by fire hoses used by the staff.

I was personally present during the hosing on Tuesday morning which occurred only after the inmates had pried stones and bricks from the wall, broken the lights, broken

windows at the end of the tunnel area and started to throw bricks at the staff. I think the action taken by the staff under the circumstances was justified. Fluorescent lights were replaced yesterday and have not been broken again.

It is true that the inmates have received sandwiches since being placed in the tunnel areas. This institution normally provides meals in the dining room and does not have facilities for delivering meals throughout the institution.

The staff are working as hard as they can to complete the disciplinary hearings. A number of inmates not involved in the disturbance will be removed from the institution in order to accommodate the inmates remaining in the tunnel areas. In the meantime, inmates will remain there in the two small groups.

The honourable member has described keeping the inmates in the tunnel area as cruel and unusual punishment. I would suggest to him that the inmates were the authors of their own misfortune. They rendered a number of their living units uninhabitable through a rampage of wilful damage which was not justified, in my view, by any of the actions taken by staff or by any grievances of a serious or profound nature.

I think the taxpayers of this province probably feel that the fact they have to shell out some \$37,000 to pay for the damage caused by these inmates is cruel and unusual punishment to their pocketbooks.

GAS AND OIL SUPPLIES

Hon. Mr. Auld: Mr. Speaker, recent reports of shortages of motor gasoline in some parts of the United States have resulted in concerns being expressed about similar prospects for Ontario.

Needless to say, the question of whether supplies of motor gasoline and fuel oil are adequate, and whether there is a prospect of shortages and allocations in Ontario, is of utmost importance for us all.

As things stand now, prospects look good for at least most of this year for supplies of both gasoline and home heating oil.

There is a requirement, however, to monitor closely supplies of fuel oil for the coming winter. With reasonable care, though, there should be no need for allocation or rationing. Our domestic production of crude oil is holding up reasonably well and, to the extent that natural gas can be substituted in the fuel market, we are fortunate to be in a strong natural gas supply position. That does not mean, however, that we can afford to be

extravagant or wasteful with the supplies we have.

The essential fact is that Canada is a net importer of crude oil. To that extent, all regions are vulnerable. The reality is that there is really no reliable source of crude oil on the international market. And our Atlantic provinces could face shortages if there were serious interruptions in world crude oil movements. That is the reason that for most of the decade of the 1970s the Ontario government has been concerned about energy supply and has vigorously pressed its concerns on a reluctant national government.

Mr. J. Reed: What has it done about conservation?

Hon. Mr. Auld: For Canada, domestic crude oil self-sufficiency is obtainable. Even though crude oil self-sufficiency will take some years to achieve, it is the only logical, reasonable and defensible policy objective for this nation, and it would provide us with relative energy security for some decades beyond what we would otherwise experience.

Mr. S. Smith: Why do you want to eliminate Petrocan, Bill? I don't understand that.

Hon. Mr. Davis: I figured you must be in favour of keeping it.

Mr. Speaker: Why don't the Premier and the Leader of the Opposition save their energy for a later time?

Hon. Mr. Davis: I agree.

Hon. Mr. Auld: I don't wish to seem to assume a self-righteous posture relative to the United States, but the fact is that country is short of motor gasoline and may be short of other fuels because it simply consumes and imports too much.

It is imperative we realize this fact, because on a per capita basis Canadians consume even more than Americans but to date at least we have relied less on foreign suppliers. It might be useful to remind ourselves that the United States was self-sufficient in oil at one time and indeed was a major exporter. Today it is dependent upon foreign suppliers for nearly 50 per cent of its crude oil requirements. It is now importing crude oil at a rate of close to 10 million barrels a day.

These demands on the world market have moved both world price increases and world oil shortages forward in time. It is perfectly evident that United States consumption cannot continue to expand at historic rates. The oil to satisfy this appetite does not exist. Canada was self-sufficient in crude oil as recently as the early 1970s. We are not any more.

As I implied earlier, we are less dependent in both relative and absolute terms upon the world markets than is the United States, but we are nevertheless extremely vulnerable to interruptions in crude oil supplies from overseas. The response in this country must be a policy of self-sufficiency in crude oil by 1995 at the latest.

Mr. J. Reed: What have you done to help it along?

Hon. Mr. Auld: Canada has the capability of self-sufficiency in crude oil. We have locked-in reserves of conventional crude oil. We have undiscovered and undeveloped conventional crude oil resources. Secondary and tertiary recovery can result in increased oil flows.

Ms. Gigantes: Let the oil companies do their own PR.

Hon. Mr. Auld: There is increasing evidence of frontier resources, and of course we have the incredibly large resources of the oil sands and the heavy oil.

Mr. J. Reed: The most hypocritical statement I have heard this year.

Hon. Mr. Auld: The requirement is that we make one united, national commitment to the development of these resources. That must involve consuming areas, producing areas, the energy industry and the government of Canada. We must develop a coherent plan that will result in self-sufficiency in crude at the earliest possible date.

Mr. J. Reed: What has the plan been so far?

Hon. Mr. Auld: We must consider the price of domestically-produced oil if we are to talk of self-sufficiency. I don't think these are difficult objectives to reconcile. I don't believe prices should be escalated without consideration of the possible impediment energy costs might place in the path of economic development or the consumer's interest, but given our supply requirements and the real dangers of shortages, the prices of petroleum must be such as to result in the optimum development of new traditional and non-traditional energy resources.

Mr. J. Reed: It's taken three years to get that out of you.

Hon. Mr. Auld: The present constraint on production from oil sands derives more from an uncertainty of policy than from the level of price. I would not support a domestic price that was blindly tied to the world price irrespective of what that price might be. Self-sufficiency will result from some combination of national commitment, energy price developing technology, capital investment, transport capability, conservation and

the defining of self-sufficiency in crude oil as a national purpose. This commitment is far overdue.

The alternative to self-sufficiency could inevitably be oil shortages, allocations, rationing—in short the kind of militance embodied in Bill C-42. In the months ahead, it will be one of the purposes of the government of Ontario to increase and intensify the pressure in the direction of domestic self-sufficiency in crude oil and oil products. That's our only sure defence against gasoline lineups and rationing and critical shortages of home heating oil.

Mr. J. Reed: Wait until Allan Lawrence makes up for 11 years.

Ms. Gigantes: What nonsense.

[2:30]

NUCLEAR PLANT SAFETY

Mr. S. Smith: A point of order, if I might: The minister also has an answer on the Rolphton matter, but I take it he doesn't have copies for myself and for the leader of the New Democratic Party. I would be willing to hear his statement without the copy, and if the leader of the third party is willing to do the same we could hear the minister, Mr. Speaker.

Mr. Speaker: Is that agreed?

Agreed.

Hon. Mr. Auld: Mr. Speaker, last week the Leader of the Opposition addressed a question to the Premier (Mr. Davis) regarding the Rolphton nuclear station concerning the ability of the emergency core cooling system of that particular reactor to handle a loss of coolant accident. There were also a number of other questions relating to Rolphton.

The Premier's response on that occasion was, as usual, full and complete.

Mr. Foulds: Full of what?

Hon. Mr. Auld: He did suggest, however, that I provide the House today with such supplementary information as might be available.

Mr. Speaker, the ministry has discussed this matter with the president of the federal Atomic Energy Control Board and I have been advised that: One, with respect to the request of the Renfrew County Citizens for Nuclear Responsibility for a public hearing, the AECB has assured them they are taking their request very seriously; two, the AECB has indicated it will provide the Renfrew county group with a complete chronology of actions taken by AECB, Ontario Hydro and Atomic Energy of Canada Limited with respect to the Rolphton plant, along with a

statement of the AECB's views in response to the matters raised. This response from the AECB will, I understand, be available within the next 10 to 12 days.

In addition to providing this response to the Renfrew county group, the AECB will also make the information available to the public at the same time.

As the honourable members know, the AECB is the legally responsible agency in Canada, charged with regulating the safety of nuclear reactors. With this in mind, I believe it is appropriate that the concerns being expressed by the Renfrew county group be assessed by the control board in the context of that agency's expert knowledge of nuclear safety standards. If the AECB feels the concerns being expressed have any validity, we have been assured it will take the necessary steps to see that any deficiencies are corrected.

VISITOR

Mr. Speaker: Before we go to oral questions, I would like to call to the attention of the honourable members of the presence in the Speaker's gallery of Mr. Michael Egan, an Associate Attorney General of the United States of America, with particular responsibilities for civil litigation and immigration. Would you welcome him, please.

ORAL QUESTIONS

RADIATION FROM X-RAYS

Mr. S. Smith: I hope our guest enjoyed the Attorney General's (Mr. McMurtry) speech on civil litigation matters.

Mr. Speaker, I would like to address my first question to the Minister of Health, and it obviously concerns the study by Dr. Kenneth Taylor on X-ray machines and the dose of radiation given to patients as reported in the newspapers today.

Since the responsibility of the ministry would seem to be the inspection of these machines in their setting where they are used and the question of licensing those people using these radiological machines, how is it the minister appears to be surprised by the data which suggests that in fact in some instances a barium series can result in an exposure of three rems and yet in another instance 90 rems, more than the lifetime dose of radiation to which people are supposed to be subjected? How is that an IVP in one instance can be 1.5 rems, and in another instance 40 rems? Why was the minister not aware of these matters as a result of his inspections? Why has he not taken steps to

make sure people using these machines are properly licensed in every instance? Why is it that some action was not taken prior to this particular study and these revelations?

Hon. Mr. Timbrell: Mr. Speaker, first of all, I want to point out we funded that study. That study was prepared under grants from the Ministry of Health.

Coming out of that study is a more detailed project which it has been proposed be done by Drs. Johns and Taylor, which we are also assisting in funding to the extent of \$100,000 a year for each of the next three years. As I see it, the effect of that will be, first of all to complete the broader survey of the problems, to identify ways and means of educating the people who are using and ordering the uses of these facilities and taking the fluoroscopic pictures; and out of that, possibly, will come changes in legislation or regulations.

I am concerned with respect to this issue that we not unduly alarm the public. In that regard I want to read into the record a statement that was prepared by Drs. Johns, Taylor and Hobbs. I apologize that it will take a few minutes but I think it is important.

I should say that I had hoped to do it during statements, but I was told that the 30 minute limit under our rules had, in fact, already been filled. That is why I apologize that I have to do it this way. I expect that Mr. Speaker will add the time to the question period.

Mr. Speaker, this statement has been prepared by these three physicians. I think I should read it into the record to put the whole matter into perspective. There are bound to be supplementary questions I will be glad to answer.

"The staff of the radiological research laboratories, University of Toronto, in co-operation with the radiologists and technical staff of 20 hospitals in Ontario, have surveyed the doses to patients from different diagnostic X-ray procedures. A summary of the results is contained in a scientific paper in the March, 1979, edition of the Journal of the Canadian Association of Radiologists.

"This work shows that the dose to a patient from a given procedure may differ from one X-ray room to another; in the extreme case by a factor of 60 and on average by a factor of 10. Furthermore, as much diagnostic information is obtained from the low doses which are given as from the high, indicating that unnecessary radiation is being given to many patients.

"Similar findings have been made by groups in the United States. We are now looking for ways to change the high dose

rooms to low dose rooms in hospitals throughout Ontario. Some of the methods for achieving this dose reduction are outlined in the paper and others are being found.

"One might ask, whose fault is this? The answer is that it is no one individual's fault but the problem has arisen because more and more powerful and complicated diagnostic equipment is being used by the medical profession to diagnose sick patients.

"Medical personnel are trained in medicine, not to measure and to control the output of these machines. Hospitals in general do not employ people capable of this type of work. We need to develop groups of such people as an in-house facility in modern hospitals. These people could assure quality control which would maintain equipment at or near optimum conditions and thus minimize the dose to patients. Training of such people is one of the main purposes of the radiological research laboratories.

"The dose reduction problem is being tackled by the radiological research laboratories and involves the Ontario Medical Association, radiologists, X-ray technologists, hospital administrators, manufacturers and suppliers of X-ray equipment in a co-operative program which is unique in North America and which covers the whole of the province of Ontario.

"We have obtained support for this program from the Ministry of Health of Ontario at a level of about \$100,000 a year for three years, which, added to the support we already have from the University of Toronto and the Physicians' Services Foundation, about \$10,000 each year for the next five years, will enable us to solve this problem.

"The public is interested in the biological risks resulting from this irradiation. The biological risks of X-rays such as production of cancer and damage to foetal tissues are well known. Unfortunately, there is no hard data that can predict exactly the effects of this level of radiation. Furthermore, it is very unlikely that there will ever be such data since it is unethical to carry out experiments to measure the risks to humans from diagnostic radiology.

"Because risks do exist and because the high doses are not necessary for good diagnostic pictures, the OMA, in co-operation with the radiological research laboratories, is initiating a program in Ontario to reduce unnecessary doses. By a simple method these can be reduced by a factor of three and by more sophisticated methods by a factor of 10.

"This will have two main effects. First, it will substantially reduce the risks of

diagnostic radiation from their present level without any loss in diagnostic information. Second, the detailed investigations which will be required for each X-ray machine to accomplish this dose reduction and the lower doses themselves, will lead to improved performance and longer life of the equipment, and hence in the long run to lower costs. This imaginative program is unique in the world and should make available to the people of Ontario the best and safest diagnostic X-ray service.

"To quantify the risk of radiation is very difficult. Dr. Rosalind Berthell in Buffalo has found that the incidence of leukemia is 20 per cent higher in groups of patients who have received X-rays compared to those who have not. This kind of figure is an indicator, but it cannot be used as a criterion for Ontario because it depends on the X-ray dose that was used.

"From our preliminary studies, we estimate that in Ontario 20 extra leukemias per year may have resulted from excess doses in radiology. This figure should be judged in terms of the 600 leukemia cases per year in Ontario. This relative risk is surely small compared to that of refusing an X-ray and subsequently dying from an undetected disease.

"However, our dose reduction program could reduce the extra number of leukemia deaths from 20 to two. In spite of the possible risks from radiation, no sensible person should ever refuse an X-ray that is recommended by a doctor as part of the diagnosis of a medical problem. It is tempting to suggest that dose reduction can be achieved by government regulation and inspection. This is far from the truth, since we are dealing with very sophisticated pieces of equipment and many disciplines with different levels of knowledge. The only real solution to the problem is a co-operative one among the various groups mentioned above and the eventual creation of inhouse capabilities in radiation control."

As I mentioned, the study which has been referred to by the Leader of the Opposition is one which was funded by the Ministry of Health because of a concern about this very aspect of health care. The follow-up work, along with the work of our own staff in the inspection branch, is being funded to a great extent—approximately 50 per cent—by the Ministry of Health, involving the people who can best bring about a resolution of the situation, namely the medical profession and the people in the hospitals of Ontario working closely with the ministry.

Mr. Speaker: As that was partially an answer and partially a statement, we will add four minutes to the question period.

Mr. S. Smith: Supplementary, Mr. Speaker: Given the fact there are two things the ministry can do to deal with this question, the first being to make sure those who use the equipment are all properly licensed and well aware of these problems; and the second being to make sure that the equipment is regularly inspected to be certain that it is of the best quality and not creating an additional hazard more than is necessary; may I ask the minister why, first of all, he has ignored the pleas of the radiological technologists over the years, including letters written to him last year in August and before then, insisting that all the people using this type of equipment be properly licensed and that proper standards be set for the equipment; secondly what have the ministry inspectors been inspecting, what have they been telling the minister, why don't they have the very kind of information which Dr. Taylor had to obtain?

Hon. Mr. Timbrell: Mr. Speaker, back in August 1977, about 18 or 20 months ago, we sent to radiologists throughout Ontario, and on request to a number of other organizations and groups, a paper for discussion on the question of X-ray facilities. In fact if memory serves me correctly, in November or December of that year, during the consideration by the standing committee on social development of my estimates, I was asked about that paper, I think by the member for London North (Mr. Van Horne), who had obviously been approached by a physician or radiologist or someone in the community who was aware we were looking at the question.

In that paper they identified several potential courses of action, one of which involved new legislation for licensing and the question of standards. We had a number of meetings with interested groups representative of radiology and of medicine generally. The concern was expressed that the group that had developed that paper did not include any radiologists, and that the standards that were referred to would perhaps be out of date or unrealistic inasmuch as radiology as a discipline had not been involved in the preparation of the paper.

Accordingly, we asked the medical association to come back with proposals on the matter of standards. I think it has to be recognized that the medical profession as a whole is as much interested, or more so,

than anyone else, in ensuring there are appropriate standards.

[2:45]

Concurrent with that, the ministry funded in 1977-78 and 1978-79 the paper that has been released in the March 1979 issue of the Journal of the Canadian Association of Radiologists and has resulted in this proposal which came to us in late 1978. It was approved—if memory serves me correctly—about two months ago to have the Ontario Medical Association to go this next step in developing a broader base of knowledge and applying that broader base of knowledge among the people who are working the machines and ordering the tests.

Within the branch, we have as well been working with other groups that are using X-ray facilities with much lower doses, namely, dentistry in particular, where my staff have worked with the Royal College of Dental Surgeons of Ontario and with dentists generally to reduce doses being applied in dentists' offices.

A great deal of work has gone into this. I think the course we are launched on puts us in the forefront in the world in addressing what is more and more acknowledged widely to be a general problem in the world in the use of diagnostic X-ray technology.

Mr. Cassidy: Mr. Speaker, since the radiation received by patients getting these X-rays exceeded the lifetime radiation standard established by the International Commission on Radiological Protection on a number of occasions—not just once—and specifically since that international council, which is the authoritative body, says no one in his lifetime should have radiation of more than 50 rems, and yet on a number of occasions here in Toronto—not in the rest of the province—patients were receiving as much as 50 rems, 90 rems, 16 rems, 20 rems, 56 rems and 128 rems in the course of having routine X-rays, can the minister explain why he is saying that people should not become unduly alarmed while a three-year program of control is undertaken?

How can the minister say no one should refuse an X-ray when there now is in a single X-ray a very real risk that patients throughout this province could have more radiation than the international experts say they should have in a lifetime?

Surely the government should act now to identify those X-ray machines that are hazardous or are being used hazardously and either take the machines out of operation at once or ensure that the method of operation

is changed at once to stop these very dangerous levels of exposure.

Mr. S. Smith: What have the minister's inspectors been inspecting?

Hon. Mr. Timbrell: My inspectors have been inspecting the machines. I want to point out, though, that the inspectors can be in there today, and a problem can develop tomorrow.

Inspection is certainly a big part of a control measure. But in the long run what is going to be most effective is a body of knowledge, properly applied among those who are ordering the diagnostic procedures in the first place and among those who are carrying out the diagnostic procedures.

Inspection is one part of it, but ultimately it is the professional qualifications and the application of those qualifications that are most important.

I have not got that paper in front of me—perhaps one of my staff who is here will check for me—but it seems to me the figures quoted in the report were in milliroentgens, not in roentgens. I will check that figure and report back.

The point is—and I cannot emphasize this enough—that only through the co-operative efforts of the profession and the hospitals with the ministry can we effectively develop a program that will ensure we address this problem effectively.

Mr. Breithaupt: Mr. Speaker, since the royal commission on health made suggestions back in 1964 with respect to training of radiological technologists, and since it would appear that the occupational health branch of the Ministry of Labour has resolved many of its concerns, does the minister recall correspondence in August 1978 from the past president of the Ontario Society of Radiological Technologists which said:

"It has come to our attention that only about 10 per cent of X-ray unit operators within your ministry are registered technologists. The remainder, in the past, have been given on-the-job training practising on civil servants before going out into the field. The radiation hazard to the people of Ontario is the reason for our concern"? Does the minister have any comment on that view?

Hon. Mr. Timbrell: I can assure the member that I did answer that letter. I recall it vaguely. That service, the chest X-ray inspection service which was, I believe, the subject of the inquiry, was under the direction of an extremely capable physician until his retirement recently and is now under the direction of another extremely capable physician.

I can assure the member that the training was, in fact, carried out in the highest of professional standards to ensure a minimum of risk to the operator as well as to those being exposed. The highest current standards of knowledge have always been applied. Again, it bears repeating that what we're talking about here is developing a body of knowledge. The Leader of the Opposition said: "Why were you surprised?" I think he was surprised to hear that we, in fact, funded these studies because we want to develop this body of knowledge.

I think it's fair to point out that a great many in the professions were surprised at the results. Quite a considerable body of knowledge has recently been acquired by a great many people and we will, in the course of action that I've outlined, ensure that that is properly applied with the interests of the ultimate safety of our population in mind.

Mr. Cassidy: A supplementary: I want to send a copy of this article over to the minister from the Journal of the Canadian Association of Radiologists and ask him to look at the table on page two. He will see, by the way, that the credit for the funding of the study is given to Toronto General Hospital Foundation and not the ministry.

Mr. Speaker: Question, please.

Mr. Cassidy: Mr. Speaker, in view of the fact that the table shows that the measurement of radiation is roentgens or in rems and not in millirems, and in view of the fact that it shows for barium meal, barium enema, intravenous pyelogram and gall bladder investigations—

Mr. Speaker: There still has yet to be an interrogative. "In spite of" or "in view of" is not a question.

Mr. Cassidy: I'm sorry, Mr. Speaker. Is the minister aware that a large number of these investigations showed radiation to the patients which exceeded the five rems per annum standard of Ontario Hydro for exposure of its workers, and in certain cases exceeded the 50 rems per lifetime standard of the International Commission on Radiological Protection? In view of the fact that the ministry would instantly—

Interjections.

Mr. Speaker: Order. Does the Minister of Health have an answer to anything that's been said up to this point?

Mr. Cassidy: Why won't the ministry act to stop these machines when it would close down a power plant that was irradiating the workers to this extent?

Hon. Mr. Davis: Give them more X-rays, that's what you people say.

Hon. Mr. Timbrell: Mr. Speaker, I think this issue is important enough that I'm not going to try to play the technical expert. I know that in all of these things there are certain levels of background radiation which are considered to be acceptable. I know that certain procedures or certain diagnostic needs require higher levels of radiation and, therefore, what I will do is take the member's question as notice and when I'm in the House again on Monday I will answer it then, when I get some technical advice on it. I think this is the important point, I am not going to try to play the technical expert; neither, may I suggest, should any of us.

To go back to the point the member raised earlier, my concern is that people not be unduly alarmed if a physician says, "You need an X-ray for that procedure in order that I can determine what is wrong with you." The risk of people dying unnecessarily from the lack of having had an X-ray—

Ms. Gigantes: Necessary death is all right.

Hon. Mr. Timbrell: —is many times greater than what they have indicated in this statement I read today may be a problem.

Mr. Swart: You're copping out.

Mr. Speaker: Order. The minister had covered that ground previously. A new question, the Leader of the Opposition.

NUCLEAR PLANT SAFETY

Mr. S. Smith: Mr. Speaker, I'd like to address my second question to the Minister of Energy regarding the Rolphton matter. I thank him for making his statement earlier.

Surely the minister recognizes the time has come for the public to be better informed about these matters and for decisions to be made by bodies that are not all committed to the nuclear industry; therefore, I ask him this: Since the Rolphton plant is at the moment coincidentally shut down, would this not be a good time for the select committee on Ontario Hydro affairs and nuclear safety to examine the concerns of citizens in Renfrew county and hear evidence on the matter pertaining to the Rolphton station so the station may be either reopened or modified in the appropriate manner as the facts might indicate? The whole situation could be made public in the select committee with all the documents brought forward and put there?

I say that especially—

Mr. Speaker: The question has been asked.

Mr. S. Smith: —in view of the fact—

Mr. Speaker: The question was asked.

Mr. S. Smith: —that all this was published a year ago and no action has been taken.

Hon. Mr. Auld: Mr. Speaker, as part of an answer to another question from the member for Grey-Bruce (Mr. Sargent) I have the facts about Rolphton, which I might just give the honourable member at the moment.

That plant, which is a 20-megawatt nuclear demonstration plant, has been on a planned outage since March 26 of this year. The principal work which is being done during this outage is the inspection and overhaul of the turbine generator, inspection and repair of the main boiler, in-service gauging of selected reactor pressure tubes and the annual safety system testing. The unit is expected to be returned to service on May 31, 1979.

As I said in my statement, the Atomic Energy Control Board, which has no connection with Atomic Energy of Canada Limited, is the safety regulating arm of the government of Canada and is responsible for nuclear safety in all the provinces. It seems to me their judgement is what we should be accepting. I understand the Rolphton station is licensed for full power and has been since a number of modifications were made—I don't have the dates with me but in recent years.

I may say I have heard nothing from anybody in the Deep River area about any particular concern. In fact I believe there is a message from the mayor indicating he is not aware of any concern in the community.

Mr. S. Smith: By way of supplementary, does the minister not recognize the citizens who have brought this matter to our attention have pointed out the modifications and corrections which were supposed to have been made at the plant, according to them essentially seem not to have been made and the reason the plant is operating at full power is because it would be useless to derate it, since even that would not affect the defect that occurs in the emergency core cooling system?

Under these circumstances and given the desire, an appropriate desire, of people to have these things dealt with publicly, does the minister not feel, since Ontario Hydro is operating the plant and is being accused of being in violation of its licensing requirements, that the select committee is the proper place to have all the documentation looked at right now while the plant is not being operated because of the turbine overhaul? Does he not feel this is the appropriate place to have a hearing of this kind and if need be reassure the people of the area?

Hon. Mr. Auld: I repeat, the Atomic Energy Control Board is the controlling agency; it has the technical expertise. With the greatest respect to the chairman and members of the select committee—

Mr. Mancini: You're just repeating that you're not going to do anything.

Mr. J. Reed: You're telling us once more that you're not prepared to do it.

Hon. Mr. Auld: —I don't believe there is the body of expertise on the staff of the select committee that there certainly is with the Atomic Energy Control Board.

[3:00]

Mr. Mancini: What's wrong with reassuring the people? It would seem to me that the proper procedure is, if there is concern—not necessarily from people in the area, but people from any place—the Atomic Energy Control Board, which must have been satisfied that whatever changes were necessary had been made before a licence was continued, would be the agency to approach. As I say, the board has indicated it is looking at this very seriously and it may well be it is planning to have a public hearing or some other kind of open review to clarify any misunderstandings that may have occurred.

Ms. Gigantes: I would like to ask the minister, considering the fact the health and safety of Ontario citizens may be at stake in this question and certainly is the issue raised in the application before the AECB, and considering the fact it has not been established that the AECB, in fact, is allowing the operation of this reactor within the terms of the licence—and that is again what the application is about—doesn't he consider it would be wise for his government to take the stand, at this point, that Ontario Hydro should not operate that plant until these matters are cleared up?

Hon. Mr. Auld: I repeat that the control board is the licensing agency. It has people on site at the larger plants.

Ms. Gigantes: That's good enough for you?

Hon. Mr. Auld: When any changes are made the licence is, in effect, suspended until the control board is satisfied that the new equipment or the modifications are acceptable; then the plant is permitted to start again at whatever rating from one to 100 per cent the board feels is adequate. As the honourable member I am sure is aware, the board is very careful about those things. For example when Bruce started up it was

permitted 50 per cent, then about 65 and, finally, 88 per cent for power.

The board is constantly monitoring and will only licence when it is satisfied that all the safety and other standards are met.

RADIATION FROM X-RAYS

Mr. Cassidy: I have a new question to the Minister of Health arising out of the radiation hazards to patients receiving X-rays in Ontario.

Knowing the outcry across the province a couple of weeks ago when nuclear plant workers in the Bruce were exposed to just over five rems of exposure, and knowing the concern among the public that far greater levels of radiation exposure are occurring routinely through X-ray examinations in our hospitals in this province, what steps is the government prepared to take now to identify the machines, the hospitals and the operators that are carrying out X-rays giving levels of radiation that exceed safe limits by enormous degrees?

Hon. Mr. Timbrell: I think the use of the word "routinely" is an unfair interpretation of the report which the member has before him. It really is the kind of statement by a member of the opposition which unnecessarily and irresponsibly alarms and can potentially mislead the public.

Mr. Cassidy: I am alarmed.

Hon. Mr. Timbrell: You are so much to be alarmed about at times—you are.

The fact is, that is an improper use or description. What I described to the member is a course of action which will ensure that we can, in fact, get at this problem. The member makes it sound as though some people purposely set out to overexpose people. That's the way it comes across.

I would like to point out, and I think this bears some reflection, that every medical procedure carries some risk. We are launched on, and have been launched on, a course of action to minimize to the lowest possible level the risk associated with diagnostic radiology.

Mr. Cassidy: Supplementary: Is the government prepared to act now and inform physicians of the risks entailed in having their patients X-rayed by specific machines, so that before sending their patients to be X-rayed on those machines the physicians can know whether the risk of having the X-ray exceeds the information which they will get diagnostically from that?

Hon. Mr. Timbrell: The success or failure of a—diagnostic radiology program in a

specific room or in the whole of the province ultimately depends upon the application of up-to-date knowledge by the people operating that machine.

Ms. Gigantes: Answer the question.

Hon. Mr. Timbrell: I am answering the question.

Ms. Gigantes: You're not.

Hon. Mr. Timbrell: Listen to the answer. People over there think they can play games like this all the time. We're dealing with a very serious matter which is not the kind of thing that is going to be solved overnight. The member makes the suggestion about a problem machine. Our inspections do pick up problems and correct problems. The fact of the matter is, as I said earlier, another problem can occur the day after an inspection. Ultimately, the success or failure of the entire program, as in anything to do with medicine, depends upon the application of the most current possible knowledge in that area. This has gone a long way to improving on that body of knowledge. The course of action on which we have been launched with the co-operation of the medical profession and the hospitals will ensure that our ultimate goal will be achieved.

Mr. Conway: My supplementary deals with the ministry's inspections. Is it true that in the recent past a substantial portion of the inspection service unit formerly with the Ministry of Health was transferred to the Ministry of Labour? If so, can the minister indicate why and, generally speaking, what is its professional status? What kind of expertise does the ministry have in its unit in particular reference to the chief of the Ministry of Health's present inspection service?

Hon. Mr. Timbrell: When the Ministry of Labour was given the responsibility for the inspection of the operators, I'm not sure what the numbers were. I'll get the member the numbers that were involved in the service establishment. I can tell him that Mr. Ritchie is the head of our unit. I don't have his curriculum vitae in front of me, but he has been the director in the last two years. Since the Ministry of Labour took over the question of operator safety, that branch has been able to devote exclusive attention to the question of patient safety. In the last 18 months when all of this activity has gone on, we have funded the research launched under this particular course of action.

Mr. Cassidy: Mr. Speaker, this is a very serious matter and I wonder if I could ask for a final supplementary at this time?

Mr. Speaker: No. We started the question period at 2:34 p.m. and we've added another four minutes to it. We still haven't got to the leader's final question yet. We've actually spent about 20 minutes on this question. I agree that it's very important, but we can't monopolize the entire time of one question period for that alone. There are other issues in the province that other members are entitled to raise. I must hear your second question now.

CO-PAYMENT FEES

Mr. Cassidy: I have a new question for the Minister of Health. Can the Minister of Health explain why the government has now gone back on the commitments that it gave in March not to allow co-insurance and has just approved a rate schedule for Blue Cross to offer private insured coverage of the \$9.80 a day user fee for chronic care in hospitals?

Hon. Mr. Timbrell: Co-payment in the nursing homes has always been co-insurable. Inasmuch as it is the same co-payment, it's co-insurable. Without going into all the legalistic background, it's because of the structure of the Health Insurance Act and the difference between insured and non-insured benefits. It has always been the case.

Mr. Cassidy: Supplementary, Mr. Speaker: Could the minister explain why he is using one breach in the present structure of the law in order to justify a further one and how this equates with his promise back in March that there would not be co-insurance? Does this mean the minister agrees with the president of the OMA, who has recently been saying the answer to the problem of underfunding the health-care system in the province is to allow private money into the system? Is that what he is trying to say?

Hon. Mr. Timbrell: From the beginning, insured services have not been co-insurable and non-insured have been. That's why the people have always been able to get coverage for drug plans and for various other things, including extended health care, which has included nursing-home co-payments and now includes chronic care.

Mr. Cassidy: Can the minister explain why it is that he is prepared to block co-insurance with respect to opting-out fees by doctors when patients in most parts of the province can still, it is hoped, have a choice of getting Ontario Health Insurance Plan coverage, but when patients are being required to pay this \$9.80 fee he turns around and says he is not going to block co-insurance in that particular area? Why is he allowing the principle of

universal medicare coverage to be under-
mined?

Hon. Mr. Timbrell: Mr. Speaker, the latter is sheer fabrication, and I have already answered the former.

BRADLEY-GEORGETOWN HYDRO CORRIDOR

Mr. J. Reed: Mr. Speaker, I have a question for the Premier. Is it true that the Bradley-Georgetown hydro corridor and possibly other corridors in the province are being built for the export of electric power and not for domestic consumption at all?

Hon. Mr. Davis: Mr. Speaker, I understand the honourable member's concern with respect to the Bradley-Georgetown corridor. I had a very pleasant meeting with some of his constituents—some of them were not his constituents—with respect to that particular part of the corridor that is an integral part of the major transmission facility.

I think it is fair to state that transmission lines are not being built for the purpose of export.

Mr. J. Reed: Supplementary: If that is correct, then why has the government authorized the construction of this particular line, and possibly others, in areas that are not serving the most urgent domestic need?

Hon. Mr. Davis: There is a lot of history to this, which I know the honourable member has researched with great care. He has a particular point of view, and I understand that. I am sympathetic to the concerns of the people who are affected by this corridor; I happen to know two or three of them—perhaps for a longer period of time than the honourable member has—and one or two of them formed part of that delegation. But, as I attempted to explain to them, this is a part of the transmission system required by Ontario Hydro, the planning for this had gone on for a number of years and this matter has been debated for a number of years. It has been the subject of extensive litigation and the subject of a hearing before the Ontario Municipal Board.

As I explained to the people who were there, the government in its wisdom maintained the judgement of the Ontario Municipal Board. There was nothing presented to us that would justify an alteration of the board's decision. Those who were in to see me would argue that not all of it was determined at the OMB. But the decision was made by the OMB and we could find no justification for its alteration.

I have to say to the honourable member that we have gone through this. I tried to

explain to his colleague. They were seeking another inquiry. They committed themselves to saying, "If the inquiry says this is the location, we will accept that location." I understand that. But I pointed out to them that part of this Nanticoke to Pickering transmission line was determined partially as a result of Mr. Solandt's inquiry some years ago, an inquiry which, incidentally, I initiated. I realize the honourable member is not talking about that; he is talking about the Bradley to Georgetown corridor, which forms part of the transmission facility coming out of Bruce, and the need by Ontario Hydro for this corridor. I mean, it is built to one end and it goes from the other end. There is, in the interim—this gap.

Mr. J. Reed: It doesn't serve the most urgent domestic need.

Hon. Mr. Davis: We can debate for hours the degree of urgency, but the honourable member and, I think, even the delegation recognized—they can argue it is not necessary for a year or two years, but I don't know; Ontario Hydro says it is needed now—the point is that it is going to be built.

I am sympathetic but I know that, if the line is moved from point A to point B, the fact remains there are going to be some people affected as far as their property is concerned.

I am sympathetic to this, but I cannot alter it in any way. If we could find an economic way of transmitting power underground, that would be great. But the honourable member, who is an expert in all of these fields, knows that underground transmission over long distances simply is not technically feasible; so, unfortunately, property owners are going to be affected, and this is true in that particular alignment.

[3:15]

Ms. Gigantes: Would the Premier undertake to provide us with an estimate, as far as he can make it out from Hydro sources, of what proportion of that line will be used domestically and what proportion will be used for export?

Hon. Mr. Davis: I think that is really beyond my competence, although I don't like to acknowledge that there are many things beyond that competence—

Mr. Roy: But you have visitors in the public gallery and you have to be modest.

Hon. Mr. Davis: I try to be modest; it becomes me. You should try it on occasion. Let's be frank with one another: modesty is not your greatest quality.

Mr. Speaker: I am more interested in your being concise than modest.

Hon. Mr. Davis: You are interested in my being concise, Mr. Speaker? It is not easy to be concise.

The member has asked me whether I can get Ontario Hydro to give an accurate guestimate, that is really what she is asking for, an accurate guestimate as to how much of the power that might be going from Bradley to Georgetown might be for export as opposed to domestic use. I would have to say to the honourable member that guestimates, to be accurate, would depend I guess on Hydro's further guestimate as to the extent of the export of power at any particular time. I think it would depend on whether that export was on the basis of interruptible or non-interruptible. It would also depend, with my limited knowledge of the system, on exactly at what point of export it may be. If they were to guess that there might be an export into Michigan—

Interjections.

Hon. Mr. Davis: I am trying to help the members as much as I can. If they were to guess that there was to be an export into Michigan, chances are it wouldn't involve that line at all; it would go across at Port Huron if that is where that export is. If it were to go through to Niagara Mohawk, then the export would be going through some other transmission facility.

Mr. Speaker: Given the Premier's modesty, maybe he could take the balance of the question as notice.

FOODLAND ONTARIO PROGRAM

Mr. Swart: My question is to the Minister of Agriculture and Food. Would the minister tell the House what steps he has taken to prevent the misuse of the Foodland Ontario logo since I brought cases of its misuse, both in newspaper advertising and on shelf displays, to his attention last year? Specifically, could he explain why United States carrots, and it has been verified they are United States carrots, are now being packaged by Hardee Farms International of Bradford in bags displaying the Foodlands Ontario logo?

May I inform the minister that I purchased two of these bags, one at Dominion Stores on Ontario Street in St. Catharines and one on Wellesley Street in St. James Town here in Toronto, and I will send one of them over to him now.

Interjections.

Mr. Swart: And may I inform him that the latter was displayed in the Dominion Store at St. James Town, along with other United States carrots, beneath a counter sign saying,

"Canada No. 1 Grade Carrots, Ontario-grown," but that there wasn't an Ontario carrot there? Would he explain that?

Interjections.

Hon. W. Newman: Mr. Speaker, I would first like to thank the honourable member for the carrots. I know my wife will put them to good use. But I don't know why he says these are US carrots. Does he know whether or not they are US carrots?

Mr. Swart: Yes.

Hon. W. Newman: How does the member know that?

Mr. Swart: I checked with Hardee.

Hon. W. Newman: You know, Mr. Speaker, it is like everything else. We get a good thing going here in this province, we have a good program in the Foodland Ontario program—

Mr. MacDonald: Answer the question.

Hon. W. Newman: Just be quiet.

Interjections.

Mr. Speaker: Order. Order.

Hon. W. Newman: I shall be glad to investigate the member's question and I will be glad to investigate the contents in this bag and get back to him on it.

Mr. Swart: Supplementary, Mr. Speaker: When the honourable minister is looking into the question, would he look very closely at that bag I have sent him and note the Foodland Ontario logo is not a sticker, and that it is imprinted on the bag? Would he turn to the other side and read the print, "Produce of USA," and would he note that also is imprinted and not a sticker? Therefore, this is not the mistake of a clerk—

Mr. Warner: It is fraud!

Mr. Swart: —this is deliberate.

Mr. Pope: And the minister did it all by himself.

Mr. Speaker: Order! Are you asking the minister to look at the label?

Mr. Swart: Would he look at the label? Would the minister also think it is a pure coincidence this false promotion of United States products appears at a time when the Women Against Soaring Prices are boycotting all imported produce that could be produced domestically?

Mr. Warner: Try protecting the farmers.

Mr. Swart: Would he not think this is misleading advertising and that his ministry should lay charges against Hardee Farms and Dominion stores so as to protect our farmers and our consumers?

Hon. W. Newman: Mr. Speaker, if there is a misuse of the Foodland Ontario symbol, we will take the appropriate action.

Mr. MacDonald: What is the appropriate action? Slap him on the wrist?

OTTAWA RIVER JURISDICTION

Mr. Yakabuski: Mr. Speaker, I have a question for the Premier: In view of the fact that periodically and recently we have had severe flooding on the Ottawa River all the way from Mattawa through Deep River, Pembroke, Westmeath township, Buckham Bay, Constance Bay, Britannia and Cumberland, does he not feel part of the problem might be eliminated if there were a better handle on who had jurisdiction over the waters of the Ottawa?

Presently Hydro-Quebec, Ontario Hydro, the Upper Ottawa Improvement Company all have a jurisdiction of one sort or another over these waters. Does he not feel the ill-fated and horrendous piece of legislation passed on February 19, 1943, by the short-term Conant government, called the Ottawa River Water Powers Act is the source of most of the problems we have now with the Ottawa in the way of flooding?

Mr. Speaker: A question has been asked.

Hon. Mr. Davis: Mr. Speaker, there is no question whatsoever that the few significant problems remaining in this province had their authorship and foundation in the administrations of Mr. Conant and Mr. Hepburn many years ago, but we are still working at them and I am sure we can solve them.

Mr. Yakabuski: Supplementary, Mr. Speaker: Does the Premier not feel that perhaps it is time to have that horrendous piece of legislation reviewed and perhaps the terms and the regulations pertaining to same renegotiated with the province of Quebec?

Hon. Mr. Davis: Mr. Speaker, I cannot guarantee successful negotiations with the province of Quebec on some issues, but I certainly agree with the honourable member that we should take a look at these matters to see if we can find a solution. I do thank the honourable member for his question and his constant interest in his constituency, which includes of course, the total county of Renfrew.

COMMISSION PAYMENTS FOR LEGAL SERVICES

Mr. Mancini: Mr. Speaker, I have a question for the Chairman of Management Board. I wonder if he is concerned, or is even aware, that some comments have been expressed by the provincial auditor for the past two years in a row with reference to the bills of two different royal commissions? This was in con-

nection with bills in amounts larger than \$1,000 for private sector legal counsel which were paid without the signed authorization of the Attorney General. This is clearly against the guidelines established by Management Board.

Hon. Mr. McCague: Mr. Speaker, the answer to the question is yes, I am concerned. The Attorney General (Mr. McMurtry) will be making a statement tomorrow.

Mr. Mancini: A supplementary question: If the Attorney General does not recommend these bills be taxed by the Law Society of Upper Canada, will the Chairman of Management Board do so?

Hon. Mr. McCague: I will take that under consideration.

DISASTER RELIEF ASSISTANCE

Mr. Wildman: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. Have the minister and his cabinet colleagues had a chance to review the applications for assistance for flood victims from communities such as Searchmont, Goulais River and Iron Bridge and the report of his officials that visited the area last week? If so, has the cabinet made a decision on what assistance might be made available to those communities?

Hon. Mr. Wells: Mr. Speaker, cabinet reviewed the reports of the flooding in those communities—I believe the ones mentioned by my friend. Yesterday they declared them a disaster area. A release was issued today on this matter. These communities are being handled in the same manner as the Field situation.

Mr. Wildman: Supplementary: Am I to understand from the minister's response they are being handled in the same way as Field? That is, it would be a four-to-one matching grant? If that is the case, is that also being considered for other communities such as Onaping Falls and Walden?

Hon. Mr. Wells: That is right. It is on the basis of \$4 for every \$1 raised locally. The areas of Onaping and the town of Walden, I believe, were also declared disaster areas yesterday and are included. The head of our subsidies branch is in that area, or will be either today or tomorrow, and he is going to ascertain whether it wouldn't be more beneficial to have one fund for north-eastern Ontario, rather than separate funds for each community. Then everything could be handled with one administration. They are looking into such an arrangement.

Mr. Conway: Supplementary: Can the minister indicate what is the status of the Renfrew county snow damage with respect to the disaster relief fund, since he has indicated cabinet has recently reviewed applications made under that fund?

Hon. Mr. Wells: The Renfrew situation is this: Renfrew was declared a disaster area last January under the terms of the fund on a dollar-for-dollar arrangement. It is now up to the Renfrew area to establish their fund and it will be matched by the disaster relief fund.

EASTERN ONTARIO DEVELOPMENT

Mr. Sterling: Mr. Speaker, I have a question of the Treasurer. In view of the fact an eastern Ontario development agreement has not been signed to date with the federal government, could the minister please give some indication to the members whether or not an agreement might be reached before the federal election on May 22?

Mr. Lawlor: Did you rehearse this, Norm?

Hon. F. S. Miller: I wish I could give that kind of assurance. We seem to be making progress on one agreement only of the three being discussed, and that is the pulp and paper agreement. The other two agreements have been stopped because the federal government is not negotiating with us.

Mr. Bradley: Oh, they're a bad bunch.

Mr. Roy: You won't have any problems with Joe.

[3:30]

Mr. Sterling: In view of that fact, will there be any announcement by the provincial government as to how farmers will treat drains that are under way in terms of drainage reports and that kind of activity that is now going on?

Hon. F. S. Miller: Mr. Speaker, I think the details of that would best be given by the Minister of Agriculture and Food. We were trying to determine whether or not some of the projects that were under way would be financed. I understand some will, but there's still some doubt about where the cutoff date is. Therefore, there's some question about those where engineering works are currently under way being financed.

Mr. Speaker: The Minister of Energy and Natural Resources has brief answers to questions previously asked.

NUCLEAR PLANT SAFETY

Hon. Mr. Auld: Mr. Speaker, last week the member for Carleton East asked a question

of the Premier regarding the NDP reactor—excuse me, the NPD reactor—

Interjections.

Hon. Mr. Auld: —I wish we had a little more time—about “new information that had been leaked to the Ottawa Citizen from staff at the site.” An article in the Ottawa Citizen on May 8 referred to two documents about equipment and equipment work procedures associated with non-nuclear equipment at NPD.

One document referred to a pumphouse gasoline tank, which has now been relocated to reduce the already small risk of equipment fire damage; whereas the second document referred to a caution given to employees working near steam pipes in the condenser room. There is no public safety concern associated with either of these events.

Ms. Gigantes: You mean you're not concerned.

Hon. Mr. Auld: The honourable member also asked about contingency plans. Contingency plans which include arrangements with offsite authorities have been in place for NPD since 1962. Currently, these contingency plans and the contingency plans for other nuclear generating stations in Ontario are being reviewed with the Ministry of Labour to incorporate lessons learned from the Three Mile Island incident.

Mr. Conway: Supplementary: Would the minister very briefly indicate what time frame he imagines for the contingency review he spoke of with respect to negotiations with the Ministry of Labour? Could he elaborate whether or not there is any time frame for review and new regulations, if such are deemed to be necessary?

Hon. Mr. Auld: That question should go to the Minister of Labour, Mr. Speaker. I am not aware of their daily plans.

REED PAPER COMPANY

Hon. Mr. Auld: Mr. Speaker, I have an answer to table to a question from the Leader of the Opposition last week about allowable cuts at the Reed paper company. (See appendix, page 1813)

Mr. S. Smith: We'd almost given up on you.

FLOOD DAMAGE

Hon. Mr. Auld: I have the answer to a question asked last week by the member for Renfrew North (Mr. Conway). He asked: “Could the Premier at this time explain how it is that along the Ottawa River in the area of Westmeath, south of Pembroke, through

to and including the town of Mattawa, we are continuing to experience high water conditions?" He related this to Hydro's operation of the dam.

Mr. Nixon: The Premier answered that too. He said: "There's too much water."

Hon. Mr. Auld: Mr. Speaker, I'm informed that the operation of the dam by Hydro during this particular critical situation was and is being co-ordinated through daily conference calls between the concerned agencies of Ontario Hydro, the federal Department of Public Works, Hydro-Quebec, the Ministry of Natural Resources of Ontario and the Department of Natural Resources of Quebec.

Regarding the low levels at the Ontario Hydro dam at Rolphton, the practice is to lower the level of the reservoir prior to spring runoff every year, and hold it at a low level until river flows subside. This is done in order to minimize the risk of flooding at the town of Mattawa.

If the forebay level was raised, as suggested, water levels in the town of Mattawa would also increase. The forebay is kept low until it is felt it is safe to raise it again without flooding Mattawa. The maximum practicable use has been made of storage in Lake Timiskaming and reservoirs further upstream to minimize the flooding. These lakes are now almost full.

IPPERWASH PROVINCIAL PARK

Hon. Mr. Auld: I have one other answer to a question raised by the honourable member for Huron-Bruce (Mr. Gaunt). A couple of weeks ago he asked: "After 41 years, why is there not a master plan for the Ipperwash Provincial Park to guide its development and operations, and why was exemption MNR 8 issued under exemption orders under the Environmental Assessment Act?" He also had a supplementary.

A plan for Ipperwash Provincial Park was prepared about 1970, and that was prior to the time of having a master plan for each provincial park. An interim-management plan was prepared and approved in February 1977 and in this plan the need for relocation of the park entrance road was identified, as well as the importance of protecting the wet meadow. I am advised by my staff that this project is exempt from environmental assessment by virtue of the Minister of the Environment's order No. 8 under the Environmental Assessment Act.

The formal master plan has not yet been completed, primarily because the priority has been given to natural environment parks rather than recreation parks.

Ipperwash is 109 acres, but it accommodates several thousand people on busy days. As a result there were very compelling reasons to upgrade the park's entrance—reasons of safety as well as handling the heavy traffic. In siting the entrance road, it was recognized that an alignment to tie in with the park control facilities and avoid using the beach, or crossing in front of the concession complex but lining up properly with an existing bridge crossing, while avoiding the three wet meadows which are in the area, would not be easy. Nevertheless, it would have to be accomplished.

The value of the wet meadow was certainly recognized when a number of meetings were held by the staff to see how it could be least affected. The road is not located in a wet meadow but runs along the side of a sand dune adjacent to the wet meadows—

Mr. Martel: That's a statement.

Hon. Mr. Auld: —and several feet of the lower part of the dune containing juniper and red pine lie between the edge of the road and the meadow proper.

Mr. Bradley: Andy, there won't be any time left for your resolution.

Hon. Mr. Auld: In connection with his supplementary question that it had ruined the unique meadow which contains rare plants otherwise unknown in Ontario and now considered to be endangered species, I am informed that there is some difference of opinion, even among experts, as to the identification of a wet meadow. Some define it as a single area while others feel it is made up of several more specific sites. We use the latter interpretation.

Mr. Bradley: You wouldn't do that to Darcy.

Mr. Peterson: Here is the exciting part.

Hon. Mr. Auld: Here we are. In the final analysis, we acknowledge that, according to some observers, one stand of blue-hearts may have been affected. The habitat, however, has not been destroyed and other stands of this flower have been identified in the vicinity. I was looking at them last Friday morning.

Hon. Mr. Welch: Aren't you glad you asked, Murray?

Hon. Mr. Auld: In fact, the meadow, as a plant habitat, has not been ruined. The blue-heart is protected in two fenced nature zones in Pinery park, which is about 10 miles away. It's also found in other locations outside the nature zones in Pinery park and it seems to be growing well.

Finally, the blue-heart is not at present in regulations under the Endangered Species Act. It has widespread occurrence south of the Great Lakes and up to the road at Pinery park.

Mr. Speaker: There is no way the member will have a supplementary to that.

When the Minister of Energy and Natural Resources is talking about endangered species, I wish he would have some regard for the effect he's having on other species.

GUELPH CORRECTIONAL CENTRE

Mr. Ziemba: A point of personal privilege: The Minister of Correctional Services (Mr. Walker) has accused me of sending out incorrect information regarding the condition of the Guelph Reformatory tunnel. Would the minister permit the press and media to inspect it, and would he join me in a personal inspection of this tunnel in order that the public may be informed of the truth?

Mr. Speaker: There was no point of privilege there that I could recognize.

Mr. Foulds: Let the record show the minister chose to ignore that.

Mr. Speaker: Obviously the minister doesn't choose to respond.

ANSWER TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 164, 165, 167 and 168 standing on the Notice Paper. (See appendix, page 1813)

BUSINESS OF THE HOUSE

Hon. Mr. Welch: I would also like to use this opportunity, pursuant to standing order 13, to indicate to the House the business schedule for the remainder of this week and next week.

This afternoon we will take into consideration ballot items 11 and 12. Tonight we will resume consideration of government legislation, starting with second reading of Bill 48, and then do second readings and committee work as required with respect to that bill, plus Bills 50, 51 and 49, and, if time permits, we will take into consideration Bill 17.

Tomorrow we will have the budget debate.

On Monday, May 14, the House will be in committee of supply to continue consideration of the estimates of the Ministry of Northern Affairs.

On Tuesday afternoon, we will do second reading of Bill 24, second reading and com-

mittee stage of Bill 17 and committee consideration of Bill 29. We will carry on with that until six o'clock. If there is time before six—and certainly at eight—we will do the following legislation: Any bills standing in the Treasurer's name not completed this evening; second reading and committee work for Bills 31, 32 and 33; then, as time permits, Bills 71, 22, 34, 72 and 73, second reading and committee stage.

On Wednesday, May 16, the resources development, general government and justice committees may meet in the morning.

On Thursday, May 17, in the afternoon we will do ballot items 13 and 14 and on Thursday evening any legislation not completed on Tuesday, May 15.

On Friday, May 18, committee of supply will continue consideration of the estimates of the Ministry of Northern Affairs.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS MEMBERSHIP OF POLICE COMMISSIONS

Mr. Watson moved resolution 13:

That, in the opinion of this House, the government of Ontario should no longer be under an obligation to appoint a judge of a county or district court as one of the members of a police commission and that the government should consider introducing the necessary legislative amendments to accomplish this purpose.

Mr. Speaker: The honourable member has up to 20 minutes and may reserve any portion of that for a final response, if he so wishes.

Mr. Watson: Mr. Speaker, I would like to reserve any time I may have left over. I would like to thank the House for the opportunity to introduce ballot item 11. This is my first private member's resolution. It deals with a matter which has come to the attention of my riding and of the riding of the member for Kent-Elgin (Mr. McGuigan). There are police commissions in the city of Chatham and the town of Wallaceburg, and the same county court judge has been asked to sit on police commissions in Tilbury and Dresden.

Since I started to discuss this matter, I have found out that it's being discussed in many forums throughout the province. Therefore, I welcome the opportunity to present it in this forum this afternoon so that members on all sides of the House can express their thoughts on this matter

The role of the county court judge in Ontario, and indeed in Canada, is often an extremely busy one. Many of the functions the judges perform go unnoticed by the public and many people are unaware of the degree to which the county and district judges are involved in administrative or non-judicative duties.

[3:45]

The Ontario Law Reform Commission in its 1973 report on the administration of Ontario courts divided these administrative duties into four broad categories: ceremonial, investigative, ministerial and operational.

Ceremonial functions include the performance of marriages, granting of citizenship certificates, visiting schools and acting as a public official where some person of prestige is required.

Investigative duties are of course conferred by municipalities under the Municipal Act and from time to time when committees or commissions of inquiry are established.

Judges assume the ministerial role when they exercise their powers of appointment. Bailiffs and insurance appraisers are a couple of examples of such appointments.

Finally, the operational duties are performed under such acts as the Notaries Act or the Justices of the Peace Act where either the justices of the peace or the notaries public must be examined before assuming these offices.

It is interesting that the law reform commission was unable to classify under its scheme the function which the county court judges perform as members of boards of police commissions, although it did make specific recommendations concerning this matter.

Briefly, it is section 8 of the Police Act which requires that one of the members of every board of police commissioners be a judge of any county or district court designated by the Lieutenant Governor in Council.

The various municipalities or regions are responsible for paying the nonjudicial commissioners for the duties they perform as members of these boards. Hiring, maintenance, the disciplinary powers regarding police forces, are things these boards deal with. They also have powers to pass bylaws dealing with, as the law reform commission states, a wide range of matters having little to do with the policing itself. The Municipal Act, for example, allows police commissioners to pass bylaws which regulate licensed cartage businesses, taxi companies, magazine stores, newspaper stands, second-hand shops, restaurants, auctioneers, salesmen and many others.

I myself am not so concerned as to whether or not these particular functions necessitate the presence of a county court judge on boards of police commissioners. What does concern me is whether the scheduling and operation of county courts can be efficient when some judges are obviously going to be tied down with administrative responsibilities of no small significance.

The extrajudicial duties of the newly appointed Kent county judge are quite extensive. As I pointed out earlier, he is a commissioner on four of the separate police boards within Kent county. It is not merely the administrative burden that concerns me. Our own judge in Kent will have difficulty in sitting on local commissions merely as a result of the steadily increasing court trials that he is faced with.

The McRuer Royal Commission of Inquiry into Civil Rights, in discussing the appointment of judges to police commissions, made the point that chief judges are put in difficult positions when making arrangements for the dispatch of court business when some judges engage in extrajudicial activities which remove their ability to assist during periods of court congestion or overload.

What the McRuer commission did state, and what I see as being of some importance, is that it is not always the least busy judges in a county who are appointed to police commission boards. Often it is the reverse. In my particular case there is not even the luxury of choosing the county court judge to perform the extrajudicial duties, because there is only one. Under the present legislation it is not even permissible for either one of the two provincial court judges to assume a place on any of the four police boards.

It is for these reasons that I feel there is a need to remove the requirement of the county court judge appointments. This does not mean that the province could not encourage these judges to serve on boards. I think we are all aware of the important contribution that can be made to the present police system administration by experienced, impartial and independent judges sitting on a commission or commissions.

In this respect, I suppose I am simply resurrecting a proposal contained in Bill 113, introduced by the former Solicitor General back in 1977. That bill would have made a judge's inclusion on a commission as a commission member, optional. Where it is deemed by members of the judicial system inappropriate to make an appointment, the Lieutenant Governor in Council could appoint a local citizen.

I suppose when I first set about to introduce this resolution, I did so somewhat innocently. Frankly, I was concerned with the one issue only—that of alleviating the abnormal and inconsistent burdens experienced by some of the county court judges and specifically the one in Kent, and consequently, by the courts themselves. It was only after delving into the matter that I became aware of the other philosophical issues that surround the composition of police boards.

My concerns deal with the routines governing the court judges themselves. However, it seems that municipal authorities are more concerned with such things as police accountability and the budgetary relationships between the commissions and municipal councils. Other groups are more concerned with the possible conflicts of interest evolving from the dual adjudicative and administrative roles of the county judges. Both these groups argue that rather than becoming optional, the appointments of judges to police boards should be restricted entirely.

The McRuer commission report pointed out that in certain instances such as when a judge is presiding over a contest between a citizen and a municipal police officer, it may appear to interfere with the element of impartiality or independence. The report states it's unfair to expect a judge in one capacity to tell the police what to do, while in another decide where the police policies have been acted upon fairly.

Personally Mr. Speaker, I'm really not in a position to argue these points, however, I do know that the Solicitor General has stressed that a judge's role in court and his role as an administrator of police are separate and distinct except for the obvious fact he has a direct responsibility for the administration of justice in both roles.

It has been suggested that judges could easily avoid these specific instances where the public might see a possible conflict of interest simply by declining to sit on such cases. I would hazard a guess, that by and large, judges, with their superior knowledge of law, their impartiality and their independence, are less likely to become involved in interest conflicts than almost anyone else. I believe the public perceives this and consequently I can see no reason for restricting the appointment of judges to commissions. Rather, as I have stated, these appointments should become optional.

Although many municipalities recently have issued reports recommending that local councils be given control, or more control, over the formation of police policy, the Robarts commission report on Metropolitan Toronto is

most reflective generally of municipal concerns. This report questions the organizational separation of police and other local service agencies when they seem to have such a close functional relationship. The report also states provincial legislation dictates the creation of a separate board of commissioners of police, with a majority of its members provincially appointed, because there is an appeal to the provincial body if the municipal council objects to the police budget. Because provincial regulations in this field are so extensive, the police function might well be thought to be more closely allied with the province than with the municipality.

In any event, it is certainly true that decisions regarding policing are taken quite separately from the rest of the local decision-making process. The commission, in short, felt policing was properly as well as literally a local responsibility and different organizational arrangements were required. The then Solicitor General, in his reply to the commission report of 1977, stated as follows: "Organizational separation exists for a very good reason. Local boards of commissioners of police and the Ontario Police Commission have a special role which arises out of our system for the administration of justice. This system is prevalent in democracies and law enforcement is of course an integral part of it.

"The police are part of a system which involves the prohibition of certain forms of conduct by the state, followed by the imposition of punishment in the case of transgression. It is imperative that justice be fairly, evenly and impartially dispensed and the present organizational structure is designed to ensure this end.

"The board of commissioners of police is designed to shield the police from direct political control and permit them necessary independence in enforcing the law. This independence would be lessened if the police were directly controlled by elected officials."

It was also stated that although the police function was more properly allied with the province as opposed to municipalities, there is justification for this. Under the law, a police officer is an agent of the crown. He or she is therefore a holder of a public office exercising original authority.

In my view, therefore, it would be quite proper for the province to make two appointments to police boards where an acting court judge was not a commission member. Furthermore, if the assumption that an Ontario police commission will always uphold local police commission budget appeals were removed, and if municipalities were to establish more

effective systems of budgetary review, I believe municipalities could have a great deal of input into the police service policy without sacrificing the optional inclusion of judges to police boards.

It is my hope that this resolution will receive the support of the House. I would hope, too, the Solicitor General is, as he appears to be, receptive to removing this difficult requirement in the Police Act and that he will soon introduce the appropriate legislation for consideration of all members.

Mr. Acting Speaker: The member for Chatham-Kent has reserved six minutes. The member for Sarnia.

Mr. Blundy: Thank you very much, Mr. Speaker. I am very pleased to rise and support the resolution that has been placed before the House today by the member for Chatham-Kent.

I am supporting it because of its wording. The resolution is that the province be no longer under the obligation to appoint a judge of a county or district court. This would seek to remove that obligation. There is still the element of discussion and debate and so forth that can be exercised by the government in the matter. I submit there are some places and some times where it would be worthwhile to have a judge on the police commission, but it is not always so.

As the previous speaker has pointed out, the judge in the ordinary court in the province is an extremely busy man. We have seen the increase in court cases that require his attention, as well as the other statutory duties of a county court judge.

I speak with a little experience in this matter, after having served on a board of police commissioners for eight years. Four years of that time I served with two judges on the commission and the last four years I served with one judge and one civilian.

[4:00]

I can tell you, Mr. Speaker, there is a great deal of difference in judging. I am not detracting from the judges as a whole, but as with all humans, there are some judges who are particularly interested in certain aspects of municipal life; there are some who are totally devoted to their judiciary duties and do not display those same interests. Therefore, I believe the municipality and the province can better be served by not requiring that the county court judge be on every police commission.

Another point I would like to make is that the board of police commissioners in today's business has chiefly an administrative role and a very important one. When we look at the

budgets for policing our municipalities today compared to the budgets of 10 years ago, we see differences of hundreds of thousands of dollars; it is now very big business. I am making reference not only to the moneys required for the operation of a competent municipal police force, but also to various administrative problems, much of which can be handled by the chief of police, but much of which has to be referred to the commission by the chief—the promotion of an officer from one rank to another; the continuation of the probationary system for the probationary constable. If the police force is to be well run, well managed and capable of serving the municipalities, the police commission must look at all of these things, in addition to having a good deal of input into the budget of the police commission.

In some respects I prefer that a judge sit on a police commission—in my past experience, it has proven to be a valuable thing. But as I have said before, this is not always the case. As a matter of fact, more often it is not the case. If the local board of police commissioners require legal opinions or legal advice in any of the operations of the police commission and/or the police department, they know to whom they can go to get that type of advice and assistance.

The municipalities, which are being burdened more and more with the provision of police services today, ought to have the right to have other than a judge on the police commission. They need a civilian from the community who is able to reflect the views of his fellow taxpayers and the opinions that have been expressed by the ordinary people in the community. They can be well expressed by a representative other than a judge in the community.

The mayor or the head of the municipality is there, so he can report back to the council and report from the council to the police commission on matters that are important to the taxpayers of the city. Over and above that, getting away from the financial aspects, in which of course the mayor is going to take a great leadership and play a great part, I believe that the views of the community as to the type of police force and the type of policing in the community can very well be given by and interpreted by a civilian representative to the police commission.

As I have said before, from my experience on the police commission I believe I can speak with some degree of understanding of the resolution before us today. I just want to say again that I am not opposed to a judge, but I do not believe it should be mandatory that a judge be on the police

commission. Let us involve other very intelligent and capable people in our communities, through co-operation with the province of Ontario and the local government, in the running of the police department and the setting of police commission policies in our municipalities.

Mr. Germa: Mr. Speaker, I am happy to rise in support of the resolution standing in the name of the member for Chatham-Kent (Mr. Watson) which would remove the obligation from the government of Ontario to appoint a judge to the board of police commissioners. To my mind, this is one small step in the right direction. If I had been writing the resolution, I would have gone even further than this and put the responsibility for the board of police commissioners where I think it properly belongs, that is, within elected local councils which, by and large, are responsible for the funding of police forces across the province.

From many years of experience on the city council in the city of Sudbury, both as an alderman and as a controller, I was always frustrated by the lack of control I had over the expenditures and the activities of the police department. Despite the fact that the budget as formulated by the board of police commissioners did come for approval to the board of control, there was still no way we, as a board of control, could change the estimates or the spending of the board of police commissioners. It was just a mandatory rubber-stamping of what it thought was in the best interests of the municipality.

I think that elected members of city and municipal councils are the best representatives in any community to determine what level of policing they desire. Different people from different strata in our society have different values. To that degree, one might get a police force which is too lax with enforcement or one might get a police force which is too strict. Some place between those two extremes, a balance has to be arrived at. I can think of no one better qualified and more in touch with his community than an elected councillor.

I would suggest that the board of police commissioners might be abolished in favour of a committee of council, including the mayor and some two or three senior aldermen. I am not fussy about how many it is, probably three or four aldermen plus the mayor should be responsible for the administration of the police forces, because these are the people who have to go out and pick up the money. The board of control or the finance committee of the council has to tax the citizens in order to run the service, and

I think the people who have the obligation of picking up the taxes from the people should also have the obligation and the control over the spending of taxes.

This evasion of responsibility by elected officials is growing too rapidly. Even at this level, the amount of dollars which is spent by boards and commissions beyond the control of the elected people is unacceptable to me. This is one way that we could get a handle on the spending of public moneys.

Just to give the House one small experience I had as a member of the board of control of the city of Sudbury some years back, when we had the chief of police in with his budget for the year showing his projected expenditures. We were going through it as a board of control, looking at all of the different costs, and in the budget was an item for four extra police cruisers. I think at the time we had 16, and the chief and the board of police commissioners had come to the conclusion that we should have 20 cruisers. So there was an extra expenditure there of probably \$25,000 or \$30,000. I was questioning the necessity of beefing up our cruiser fleet.

In my mind the level of police service in Sudbury at the time was adequate and I saw no need for tighter police control in the community. It was a peaceful community and everything was going well. I questioned the chief as to the desirability of four more cruisers. After about half an hour of his evading my questions and going around in circles, he said, "Mr. Germa, I may as well tell you that those cruisers have already been on the street for four months." That is the kind of thing that goes on in the board of police commissioners.

At that point I said, "What the hell are we doing looking at your budget if you have already blown the money anyway? You have already got the cruisers and here you are coming to the board of control for approval by rubber stamp." We had no control whatsoever at that time.

It was at that moment that I came to the conclusion that as an elected councillor I wanted to have control over the expenditures of board of police commissioners. As I said, this is one small step in the right direction, but I do look forward to the day when the local council will have control over the administration and the spending of our police department.

Mr. Sterling: Mr. Speaker, I also rise in support of this resolution. Being in favour of that resolution, I would like to offer some comment in relation to it. First of all, I think it is important when we look at the present

status of a judge on a police commission that we recognize the important contribution these men and women have made to commissions in the past.

I think the present commissions, which consist of the mayor or head of council, together with a judge and one citizen appointed by the province, have achieved a proper balance within the commission. I think there is a danger, if we followed the suggestion of the member for Sudbury, that the commission could become a committee of the council. Although police forces are providing a municipal service, and I agree with the member in terms of the financial control of those services, I think there is a significant danger of improper political interference with police forces. In the past the various commissions, as they have been set up, have worked pretty well as they have gone in the past.

[4.15]

The member for Chatham-Kent mentioned in his remarks that there is a significant problem in some areas, such as Chatham-Kent, where there is basically one county court judge and he is tied up with other judicial duties. In those cases there should be the option whereby the province can appoint another citizen to the commission to take over that particular function.

It might be interesting to go back in history some time. Originally, a board of commissioners was first appointed prior to Confederation. In the early days, a police magistrate was a member. In the year after Confederation, in 1868, a county court judge was appointed at that time. So for some 110 or 111 years we have had the county court judge as a member of the police commission.

The members of the municipal police force are governed and directed by the police board. This body is designed to ensure that the police are independent of direct political control of the municipality. The autonomy of the police boards, in my view, is essential to the proper administration of justice. This independence would be lessened if the police officials were either directly controlled by the municipally elected officials or were, in fact, municipally elected officials.

The dangers are obvious where the membership of the board is beholden and indebted to its supporters. Two competing interests must be balanced, namely, the need to have the police fully accountable to the elected representatives—as the member for Sudbury has pointed out—and, at the same time, to have them independent so they are able to enforce the law without favour or improper political interference. The presence of the judicial member is therefore a highly sig-

nificant factor, and has been in the past, in maintaining this proper balance.

The board of commissioners of police has traditionally acted as a buffer between the politician and the police officer. In other words, the board concept is designed to ensure that the police are independent of direct political control. I mention this because it has been argued that policing is a municipal service just like any other.

I submit, however, that police boards and the Ontario Police Commission have a special role which arises directly out of our system of the administration of justice. Justice must be fairly, evenly and impartially dispensed. The present organizational structure is designed to ensure this end.

In short, the police board shields the police from direct political control and permits them the necessary independence to enforce the law.

There is truth in the contention that the police function is more closely allied in some ways with the municipal government than with the provincial government. But under the law a police officer is not an employee or servant of the municipality. The police officer is an agent of the crown as well, the holder of a public office who exercises an original authority. This distinction is basic to our constitution and our system of the administration of justice.

I wish also to point out that experience has shown that police boards are keenly responsive to local needs and desires. The mandatory membership of the mayor on a police board certainly assists in ensuring that this responsiveness will continue. The main point of my comments today, however, is to stress the necessity of separating politics from the administration of justice and the enforcement of law. Society clearly benefits from this separation and the county court judge can and does play a significant role in this process.

I indicated at the start that I am for the resolution, but I wanted also to recognize the significant contribution a judge does make. We would encourage the continuance of the judge's role in boards of police commissions. But we recognize the practical problem as outlined by the member for Chatham-Kent.

Mr. Breithaupt: Mr. Speaker, I am pleased to rise in support of the resolution although I must say I disagree with almost everything the member for Carleton-Grenville has just said. In my opinion, it is not only that we should not be under any obligation to appoint judges to police commissions, but that judges

should not be appointed to police commissions.

As has been alluded to, section 8 of the act is the section which sets up this pattern which has been traditional throughout the province. Within the region of Waterloo, we have a five-member commission consisting of a provincial judge, two other appointees of the Lieutenant Governor in Council, and two members of the regional council.

In the recent report issued by Mr. William Palmer as commissioner for a review of Waterloo region—the report was issued in March 1979—he refers to suggestions as to his conclusions which would make the responsibility for police forces entirely a function, as a committee, of the regional council. In his opinion, the board of police commissioners for the region of Waterloo would be disbanded.

But he suggests one other item that, I think, should be referred to. That is the comment on page 158 of his report in which he says: "As an aside at this point, we fail to see the necessity for members of the judiciary to be involved in police governance. Such a requirement would seem an unnecessary use of their scarce time and an imposition upon the beleaguered gentlemen of the bench. As the hoary dictum would have it, moreover, 'Justice must not only be done but must also be seen to be done.'"

"For this reason we have some reservations that a member of the judiciary may have an unwitting conflict of interest if required to supervise the police as well as to perform his foremost responsibility, which is to adjudicate the charges which those same police lay before him. This point of view was expressed by the McRuer Royal Commission on Civil Rights in Ontario, the Ontario Law Reform Commission and by three separate minority reports submitted to the Task Force on Policing in Ontario."

I think that summarizes exactly the position which is, I believe, a sound one—that judges no longer have a place on police commissions. The comments that have been made by Mr. Palmer might suggest we do not have a police commission within the region of Waterloo. Whether that's acceptable or not to the parties involved, only time will tell.

There's another way of doing it: it could be ruled that at least a majority of the members of that commission be members of the regional council. One could also, perhaps, have some volunteer or additional members added to a committee of council—the matter could be dealt with in a variety of ways. But, in any event, the position of a judge

on the continuing police governance body is something which I think is well out of date.

The member for Carleton-Grenville suggests that political influence might be brought to bear in this matter. Let me give you one more quote, Mr. Speaker. As you know, the British police forces are responsible to municipal councils through statutory advisory committees. But there is one quotation I would bring to the attention of the member for Carleton-Grenville. It's on page 156: "The arguments for keeping politics out of police are largely fraudulent. No matter how the system is structured, the police governing body must ultimately be responsible to the public. That is accountability and that is politics."

Mr. Ruston: You'll have capital punishment.

Mr. Breithaupt: "The present system where the provincial government elected to a party system appoints the majority of police commissioners is every bit as political and more potentially dangerous than a situation in which a government composed of 24 separately-elected individuals with at least three different political stripes and seven different factions, appoints the police governing body."

That deals, at least to my satisfaction, with the matter of politics and the police force. Clearly, the governing of the police forces within this province is entirely different from the American situation of strong mayors, police commissioners and a great variety of other attributes. I have cited the British experience, and I would hope that concise comment from Mr. Palmer would be satisfactory.

In any event, former Chief Justice Gale, now retired, has suggested that, without question, judges be removed from police commissions.

Mr. Foulds: It's hardly a revolution.

Mr. Breithaupt: The Attorney General, unfortunately, has not agreed. At least in the quotation I saw in the public press, the Attorney General said that he intended to remove the requirement in the Police Act that every police commission include a judge among its members, but that he would continue to make such appointments of judges in the future from time to time.

As a result, we may well find that the motion brought before the House today will be passed. It will not be blocked in the usual fashion by government members. The end result is that possibly we will have legislation brought in by the Attorney General

which would at least remove this function of it being obligatory.

I can assure you, Mr. Speaker, at that point not only will I speak in favour of it being removed as obligatory; I will speak in favour of it being removed altogether.

Mr. Wildman: I wish to indicate that I rise in support of the resolution, for largely the same reasons the member for Kitchener just outlined.

It seems to me that the arguments raised by the member for Carleton-Grenville were somewhat off base when he talked about political interference. It seems to me that when we have a police commission, as we do, say, in Sault Ste. Marie, where we have three members, one of whom is a district judge, one is a provincial appointee and the other is the mayor, we already have two political appointees in the majority anyway.

Mr. Germa: Three.

Mr. Wildman: Yes. For that matter, a judge, even though he doesn't take part in the political process, is a political appointee.

Mr. Sterling: Not necessarily.

Mr. Wildman: Not necessarily, that's true, but usually, shall we say?

Mr. Foulds: The member for Ottawa East is hoping for one of those appointments.

Mr. Wildman: At any rate, I'm not concerned about that in relation to the judge particularly. What I am saying is that in a three-man commission there already is a majority representing political bodies. To argue that by putting one person, a minority, on the commission he is somehow going to limit the influence of the two political appointees, if they happen to agree with one another, is not—

Mr. Roy: Is Berger a political appointment?

Mr. Wildman: Of course he is. They wanted to get him out of the political process.

Mr. Roy: He'd be glad to hear that.

Mr. Wildman: He was so effective in the political arena they wanted to limit him and put him somewhere else, and then he proved even more effective as a judge when they appointed him to that commission. He conducted a commission that really blew holes in the whole Liberal policy for northern Canada.

I want to talk a little bit about the Sault Ste. Marie commission, which the Acting Speaker has some knowledge about. As I said, we have a three-member commission there, one of whom is a judge, another a provincial representative, and the mayor.

There has been some considerable controversy in the city about whether or not the commission is carrying out its functions effectively. The fact that we do not have the kind of representation which is subject to continual accountability to the political arena may be one of the reasons that commission is not as effective as it might be.

[4:30]

I wonder if the member who introduced the resolution might indicate to us why he chose to do it via the resolution route rather than presenting a private member's bill, which would amend the legislation. It seems to me that is a far more effective way. We have a private member's hour. It isn't a great deal of work. The legislative counsel can assist the member in presenting legislation. I am just surprised he hasn't gone the route of trying to amend the legislation, especially when he considers the fact eminent purists have agreed with his position.

Since I don't agree with the member's argument about political influence, I want to emphasize the reason I am in favour of the resolution is I am opposed to provincial judges serving on boards of police commissions per se. I would like to have it, as the member for Kitchener indicated, obligatory for them not to serve. In other words, I don't want to see judges on them. There is just too much risk in their situation for a possible interpretation of conflict of interest in cases where there may be difficulties in administering justice, or where there are difficulties in a situation where a police officer or a group of policemen may indeed find themselves at some point facing a judge, if that judge is also a member of the police commission.

Mr. Roy: Name one police force that agrees with you.

Mr. Wildman: I am not sure what the member means by the police force, but as a matter of fact I have had some discussions with the members of the Sault Ste. Marie Police Association and I will indicate they agree with me.

Mr. Roy: Is that a police force or a police association?

Mr. Wildman: Police association. I also know the Acting Speaker, in his role as Solicitor General, has had some discussion with that police association in the past in regard to the provincial appointee. There are some major problems which I won't go into here because it is not central to this debate, but there are some major problems in the administration and operation of the Sault Ste. Marie police commission.

I don't think having a district judge on that commission is really changing that any or assisting it. For one thing, the bench is so busy trying to keep up with the number of cases they have that in many cases the judge may find himself not having enough time to be involved actively in the deliberations of the commission. This leaves it, in a situation where you have three appointees, largely to the provincial appointee, because the mayor himself is awfully busy as well. I would prefer to see the situation changed so we could perhaps have more people who could more actively and permanently work on commission work instead of having one who is so busy on the bench he doesn't have time to be involved, and the only municipal appointee being the mayor.

I support the resolution. I regret the fact it isn't here as an amendment to the legislation we could support to give some direction to the cabinet. I would really emphasize that I don't want to see judges on the commission and I would like to see greater opportunity for local input into how police affairs should continue.

Mr. Rotenberg: I rise, of course, to support the motion of my colleague from Chatham-Kent. I support it in the way it is written because whereas I agree with the position that it should not be mandatory to have judges on police commissions, I also feel judges are people and a judge should not be excluded from a police commission.

In some areas, there is value for a judge to be on the commission. In some areas, as was pointed out, there are problems with getting a judge to act. In those cases, it is not proper for a judge's inclusion to be mandatory. There are some areas where a judge may have time, where a judge is best qualified and a judge can and should sit on a police commission. To exclude him simply because he is a judge I think is just as bad as to make it mandatory that a judge serve on the commission.

I am not sure if it was the last time this matter was debated in the House, but it was debated in this House in 1962. At that time oddly enough, the government of the day—which was the same party as the government of this day, and will be for many years to come—had introduced a bill to remove the judge from police commissions. At that time the two opposition parties opposed the removal of a judge from police commissions. I'm pleased to see that the present members of the opposition, most of them different members have changed their minds.

It would be interesting to quote from some of the opposition members who spoke on this

in 1962. First of all it was pointed out at that time that the police bodies, the various chiefs of police and police associations, wished to keep a judge on the police commissions. The then member for Beaches-Woodbine, Mr. Ken Bryden, said: "I feel very concerned that the associations representing law enforcement officers in the province should feel so alarmed and uncertain with regard to the legislation before us. It would appear, from the representations made to this bill, to have quite an undesirable effect in undermining morale upon the law officers of the province." That was the NDP, which then supported keeping a judge.

The predecessor in my riding who sat opposite, Mr. Vern Singer—

Mr. Mancini: He's not here to defend himself.

Mr. Warner: This is private members' hour, remember.

Mr. Rotenberg: —indicated he was quoting from a policeman who said, "Under the present system, who could be more qualified to sit on these boards than a judge? He is a federal appointee, appointed for life, well versed in law and appreciates the duty of a police officer. We feel that it gives the municipalities assurance of a better type of efficiency in their police than if they were served by less qualified board members elected every year with, frequently, an axe to grind." Mr. Singer said, "In a very few words, the police chief, a very reasonable gentleman, expressed his opinion."

The predecessor of the member for Sudbury, Mr. Elmer Sopha, who was of a different party, said, "It is essential and fundamental that a judicial person sit upon these commissions. Perhaps the main reason, if one could select one reason out of many, that a judge should sit upon these commissions is that they are a quasi-judicial body. They have to decide questions of discipline and conduct and other matters in the police force."

Mr. Roy: Why don't you quote Wishart? He said the same thing.

Mr. Rotenberg: Mr. Speaker, that was back in those days, and I agree only in part with what was said, because as I say, I don't think it is necessary for a judge to sit on a police commission.

But police commissions do from time to time sit as discipline bodies. Police commissions do, from time to time, sit as arbitrators in police matters, in matters of discipline, in matters of arbitration and so on. It is not a necessity but certainly an advantage to have a person on that commission who has judicial

training and judicial experience, who can bring an impartial point of view to it. Because, in the police commission discipline matters, it is almost a trial. I don't preclude other people, but if you get a committee of council sitting as a police commission, there is a tendency for such a committee of council to deal with discipline matters in a different way from those who have judicial training. I say there is a tendency. It may happen; it may not.

I was interested in the remarks of the member for Sudbury (Mr. Germa) who seems to want the police commission to be a committee of council. I was interested also in the comments of the member for Kitchener, quoting the recent study on the Kitchener-Waterloo region, and who seemed to be agreeing with the commissioner. I hope when the government brings in a bill, the member for Kitchener will agree with everything the commissioner says on that report, but that is another matter.

Mr. Roy: Don't you worry he'll take a responsible approach.

Mr. Rotenberg: I should hope so. A committee of council is qualified to do many things but I don't think it is qualified to sit in judgement on police discipline matters. This should be done by some other body. I'd also point out to the member for Sudbury that while he is technically correct, really a municipal council cannot set the budget of a police commission. Maybe when he was on council in Sudbury he did things differently than when I was on a municipal council.

In practice, municipal councils do review police budgets and do change police budgets. Technically, according to the Police Act, if the municipal council refuses to pass the police budget, then it is appealed to the Ontario Police Commission so that someone else sits as arbitrator between the local police commission and the municipal council. In practice, however, because of that, municipal councillors do have quite a bit of control over the budget of the police commission and municipal councillors should exercise that control.

In my opinion, speaking to the point of the member for Sudbury, I feel that the municipal councils' control over the general police policy through the budgets which should be exercised is a sufficient control of the political arm of that police commission. The day to day operation, particularly the discipline problems and the problems of crime fighting, should not be done by municipal councils.

Can one imagine the type of things that a police commission has to do when it sits to set policy on how to fight crime or organized crime, if there is such a thing, or whatever? That would be done by a committee of council sitting in open session because committees of council, as we know, are always going to sit in open session. There is pressure to do so. How can a committee of council, acting as a police commission, sit in open session and deal with those police matters?

I would really have to disagree with the member for Sudbury that a police commission should be a committee of council. But that is not really what is before us today. What is before us today is the resolution from my colleague from Chatham-Kent that it shall no longer be mandatory for a judge to sit on a police commission.

It seems there is unanimous opinion in this House for at least that. I think if we pass this resolution, hopefully unanimously, that will be an indication to the government, the cabinet members, and the Solicitor General that this is the feeling of the House and, hopefully evolving from that will be legislation that will take away the mandatory provision for a judge to be on a police commission. When that legislation comes forward, which I hope it does, I hope also that the legislation will not preclude a judge from being on the police commission for the reasons I have indicated.

Mr. Deputy Speaker: Actually there is no time left from what was reserved unless the member for Chatham-Kent doesn't want his full time.

Mr. Watson: How much time have I got?

Mr. Deputy Speaker: You have about four minutes.

Mr. Roy: Give us a couple of minutes here. Give some of your time to someone who knows what he is talking about.

Mr. Deputy Speaker: The member for York Centre for two minutes.

Mr. Stong: Mr. Speaker, there are quite a few things I would like to say about this. I am in support of the resolution as far as it goes. However, I would like to say that this resolution has already been embodied in legislation introduced in this House by the member for Humber (Mr. MacBeth) when he was the Solicitor General in Bill 113, in November 1977.

That legislation conforms not only to what is proposed here in this resolution, but it also protects the discretion of appointing a judge, if the circumstances warrant it. Unlike my colleague from Kitchener, I must say I am a person who does support the

position of a judge on a commission. The reason I do is that the police commission itself does fulfil a very important function. It acts as a quasi-judicial body. It has the power to conduct hearings under the Police Act which affect the freedom and the livelihood of individuals appearing before it, namely, police officers.

It administers the Police Act, which is a statute of the province of Ontario. It seems to me that for this function and this reason only we should protect the position on the police commission that would and could be filled by a judge for the reasons set out by several members who have already spoken, namely, impartiality, expertise and legal and judicial training.

Mr. Deputy Speaker: The honourable member's time has expired.

Mr. Stong: That is very important when we are considering this bill. I support the resolution but I wouldn't like to see it closed up any tighter than it already is.

Mr. Watson: Mr. Speaker, I wish to thank the people who have spoken on this, especially the people who have had personal experience on police commissions and have a more intimate knowledge of them than I have. I would like to add something to the argument we have got into, which really is not part of the resolution. One of the reasons I didn't include it was that I realized there was a difference of opinion as to whether or not they should be removed.

I can sympathize with some of the arguments in large centres where people say they don't want the judge on the commission, but I think that in small communities with a three-man police commission, a five-man council and 2,000 people, it's pretty hard there to make it impartial or not to allow small "p" politics to creep into it.

In my particular riding in Chatham-Kent and that of the member for Kent-Elgin, we have a particular situation. I did bring this resolution to the attention of this House to try to speed up the introduction of this legislation, because we in essence have four police commissions which are operating as two-man commissions at the present time. We think it is the busyness of the present judge we have; he is new and he has been appointed to four, but he has not been acting. Essentially, we have two-man police commissions, and we would like to correct that situation.

[4:45]

I do appreciate the support, and I do hope that the Solicitor General will be receptive to removing this requirement from the Police Act.

PUBLIC HEALTH AMENDMENT ACT

Mr. Gaunt moved second reading of Bill 67, An Act to amend the Public Health Act.

Mr. Gaunt: Mr. Speaker, I am pleased to discuss this bill today, because it is very topical. Much of the question period today was taken up with matters having to do with radiation, and this matter has to do with a type of radiation. It is topical also from the standpoint that, in the United States, Congressman Weiss introduced a bill in January to do the same thing as is being advocated in my bill; so it is a matter of some discussion in the United States as well, and that bill has gone to committee, as I understand it.

I want to deal with a number of items. First of all, I want to describe the ionization smoke detectors, the nature of the product contained in them, americium 241, and why regulations requiring controlled disposal are inadequate. My colleague from Windsor-Walkerville (Mr. B. Newman) will deal with the risks and the benefits, but I want to end up by telling the House why I propose this particular measure under the Public Health Act.

By its very nature this is going to be rather technical; for that I apologize, but it is a technical subject.

There are two types of smoke detectors commonly used in the home, ionization detectors and photo-electric detectors. The ionization device, which comprises between 85 and 90 per cent of the market, uses a radioactive source, most commonly a substance called americium 241, to transform the air inside it into a conductor of electric current.

A number of highly respected scientists and radiologists have pointed out that americium 241, a waste product from the nuclear cycle, is potentially a major hazard to public health and to the environment. Americium 241 is a transplutonic element; that is, its atomic number is greater than that of plutonium. It is 53 times more radioactive by weight than plutonium 239 and has a half-life of 458 years. This means that it will retain its potentially lethal properties for thousands of years.

According to Dr. Edward A. Martell, an environmental radiochemist with the National Centre for Atmospheric Research in Boulder, Colorado, there are thousands of lethal doses in one microcurie of americium 241.

Americium 241 is formed from plutonium and, like other plutonium isotopes, it emits alpha particles with strong energies. Alpha radiations have higher linear transfers than beta or gamma radiation; that is, they transfer greater energy in a shorter distance.

It is true that alpha radiation has a weaker penetrating power than gamma radiation

(medical and dental X-rays) and beta radiation (colour television sets and luminous-dial wrist watches); however, when taken into the body, although fewer cells are reached by an alpha particle, all of its energy strikes those few cells, increasing the likelihood of cell mutation or cell death. Thus, americium 241 is potentially an extremely hazardous substance and highly likely to cause cancer once it gets into the body.

Like plutonium 239, the target organs for internal exposure of americium 241 are the lungs, liver, bones and gastrointestinal tract. Infants and young children are especially susceptible, as in their case americium is more readily absorbed from the gastrointestinal tract and more deposited in the liver of the newborn.

The greatest danger of an americium release from the detectors does not occur from normal use but if the devices are improperly disposed of. Once in the environment, americium poses a greater risk to health and safety than plutonium 239. Dr. Karl Morgan, for many years the director of the health physics division at the Oak Ridge National Laboratory and now with the school of nuclear energy at the Georgia Institute of Technology, and who has been long recognized as a leading expert in the field of health physics, explained why in an article published in the *Congressional Record*, February 1, 1978: "The risks are identical for plutonium 239 and americium 241 . . . and once in the environment, americium is more of a risk than plutonium, because it is more readily taken up by animals and plants."

Americium, which is soluble, accumulates in the biosphere (in soil and water), from which it enters the human food chain in drinking water, plant foods, fish and animals. Once ingested into the human organism, it moves readily from the gastrointestinal tract into the bloodstream, where it remains to cause cancer of the liver and the bone. Dr. Dean Abrahamson, physician, physicist and professor at the school of public affairs, University of Minnesota, has stated: "There is no question about the toxicity of americium, especially if it gets into the food chain."

Where do the dangers lie? Under normal operating conditions, ionization smoke detectors do not represent an immediate threat to consumers and the general public. In fact, it has been shown that one could get more radioactivity from a colour television set. However, there are some concerns about the protection of workers engaged in the manufacture of ionization smoke detectors and the manufacture of radioactive sources used in them. Those concerns have been expressed

in terms that the workers are not adequately protected. The average amount of americium 241 contained in an ionization smoke detector has been estimated at anywhere between one microcurie to five microcuries, while ionization devices in the work place are reported to contain up to 15 microcuries.

The main problem with ionization detectors is not, therefore, in the actual use of the devices but with respect to their disposal. The Organization for Economic Co-operation and Development, an international organization, warned in a report that one possible route is direct contact with the radioactive material in the device, while another possible route is the transfer of radioactivity to ground water and subsequently to drinking water. The committee report was of the opinion that the doses to the public from this latter method of disposal would be insignificant.

These assumptions have been seriously criticized by a number of experts. First of all, the long half-life of americium 241 means it is by no means safe to assume that labelling on these devices will remain intact for the duration of its radioactive life. Second, health physicist Dr. Morgan has stated that "since americium will certainly seep into the soil and water . . . the only question is where and how much. Even though the risk may be small—and I am not saying it is—when you have millions of these smoke detectors, and you multiply a 'small risk' by a large number, the risk can be much larger." Dr. Donald Geesaman, a noted biophysicist, claims it is insidious to manufacture and distribute radioactive smoke detectors and concurs that "it's inevitable that some of this americium will enter the human food chain."

In aquatic ecosystems, both plants and animals pass large amounts of water through their systems, filtering out and retaining nutrients and, as it turns out, radioactive contaminants. Even small amounts of plutonium in water end up in significant concentration in fish and other forms of water life. This has serious implications in the disposal of americium which, once in the environment, is more of a risk than plutonium.

The OECD committee's recommendations on the use and disposal of ionization detectors stipulate that activity per detector should not exceed one microcurie per detector and shall not exceed five microcuries. Thus, the household ionization smoke detectors that are in excess of one microcurie—and there are a number of models available in retail stores in this province of up to five microcuries—are in excess of the preferred limit. Furthermore, in arriving at its

recommendation that ionization detectors not exceeding five microcuries need not be subject to the condition that their recovery and disposal are controlled, the committee used several assumptions in its assessment which may not be applicable to circumstances in parts of this province.

In its calculations the committee assumed that the average activity in a single-station ionization detector unit is only one microcurie.

Second, the committee assumed for the purposes of its calculations that at present only one home in 20 is equipped with smoke detectors and that by the year 2000 one home in 10 will be fitted with an ionization detector. As I will show later, this could greatly underestimate the situation in this province.

Third, it is assumed that the average life of a single-station ionization detector is five years. However, of 15 ionization detectors tested for the October 1978 issue of Canadian Consumer magazine, nine had warranties for only one year. In addition to this, Honeywell's market manager has predicted that in a year or so the market will enter into a retrofit condition, where consumers will start buying new units instead of going to the expense of replacing batteries. Since the smoke detector market has flourished in the past two years, it is likely that the figure of five years is too long for the average life of an ionization device.

The same assumptions were used by the committee to arrive at its conclusion that the release of radioactivity to air during incineration of waste is insufficient to warrant controlled disposal of ionization detectors containing more than five microcuries of radioactive material.

I had a letter from a concerned resident of Thamesford, who attended a meeting at the Arva firehall on March 20, 1979, and asked about the disposal of these units when they become inoperable. He was told, in front of the entire gathering of approximately 200 people, to just dig a hole two feet deep and bury it. In my view, that is not good enough.

Last fall, the Atomic Energy Control Board relaxed its rules on residential ionization smoke detectors and now allows the home-use devices to be thrown in the garbage. Yet, unfortunately, it is not sufficient simply to require the reinstatement of the regulations stipulating controlled disposal, since there is no way of ensuring that the consumer will comply with the instructions on the label. Previously, the AECB regulations stipulated that the labels read

something like this: "2.5 microcuries americium 241. Disposal by return to supplier or as directed by Atomic Energy Control Board, Ottawa."

Consumers who do actually take the trouble to contact the AECB to dispose of the devices in accordance with its directions would be instructed to dispose of them via Atomic Energy of Canada Limited at Chalk River. The point here is that it is a very complicated procedure, and there are nine chances out of 10 that consumers simply will not do it.

Simply putting a label on something that says it is radioactive does not give the consumer all the information he needs to make a decision as to whether or not to buy an alternative model without a radioactive substance.

Dr. R. H. Neill of the Bureau of Radiological Health, US Food and Drug Administration, makes the point that, unlike hospitals, laboratories and industrial facilities, the consumer area must, in general, be termed an uncontrollable environment. Many people may not even bother to read the label or, if they do, they will forget the instructions.

Another factor that must be taken into account is ascertaining the adequacy of labels recommending controlled disposal in terms of the numbers. In 1977, estimated sales for Canada of residential smoke detectors were 300,000. In 1978, this rose to 1.2 million, and estimated sales in 1979 are well over two million. Two independent sources which manufacture smoke detectors have indicated that Ontario holds a 40 per cent share of the market. One of these sources has said the Ontario share might even be as high as 50 per cent.

This gives us a grand total of 1.4 million smoke detectors sold in Ontario for the three-year period ending December 1979. The ionization model captured at least 85 per cent of the residential smoke detector market, giving us a figure of 1.19 million units for the province.

[5:00]

One manufacturer has estimated that 22 per cent of the dwellings in Canada possess smoke detectors. Ontario holds about 40 per cent of the market; by this estimate, at least one in five dwellings has a smoke detector, which indicates that the figures used by the OECD committee for the purposes of assessing waste disposal implications, that is one in every 20 homes at present and one home in 10 by the year 2000, are far too conservative for Ontario.

Other factors account for a huge volume of sales in Ontario. Market growth can be

attributed to encouragement from insurance companies to policy holders to buy residential smoke detectors in the form of premium reductions, rebates and so on and, of course, the government legislation making smoke detectors mandatory is another factor here.

There is no question that the government should be commended for taking steps toward the fullest protection of human lives from fire. However, in view of the fact that an excellent alternative to the ionization device exists, the photo-electric device which contains no radioactive substance at all, government legislation with respect to smoke detector units should require that the photo-electric model be installed.

All right, why have I introduced this legislation via the Public Health Act? I've introduced legislation prohibiting the sale and distribution of ionization smoke detectors through an amendment to the Public Health Act. I favour the ban on sale and distribution because even if manufacturers and distributors of these devices were required to stick labels on them directing controlled disposal, there is no guarantee the user would see the label, read the label, remember the label or comply with the instructions on the label.

Under the Public Health Act, the Ministry of Health has the express duty to maintain certain standards of health in the community and is given very broad powers to do so. Since the presence of carcinogenic substance in the environment in the form of the radioactive isotope americium 241, which has a dangerous potential to leach into soil and water systems and work its way up through the human food chain, obviously constitutes a threat to human and public health in the community, the proposed amendment is well within the scope of the act.

Under section 4(d) and (g), the ministry has a duty to determine whether the condition of any public or private place, or the method of manufacture or business, or the disposal of sewage, trade or other waste is a nuisance or injurious to health, and if so, may order whatever changes are necessary to remove the nuisance or hazard.

As a matter of fact, the Minister of Health is specifically authorized at present to make regulations to control all uses or sources of ionizing radiation under section 642. So far, two regulations have been made; one dealing with public health labs, some of which work with radioactive materials such as X-ray equipment and so on, and having to do with microwave ovens. Therefore, there have been ample precedents to legislation of this kind.

Since no action has been taken by the ministry to legislate with respect to ionization smoke detectors which, in my view, constitute a problem injurious to health and since the ministry clearly has a duty imposed upon it to maintain certain standards of health in the community, my amendment in the form of a new section 98(a) will ensure that the sale of ionization smoke detectors is prohibited, thus removing a source of significant danger to human health.

I come back to the argument with which I originally started. The argument is, why run the risk to the environment and human health by using ionization smoke detectors when a safe, equally effective alternative is already on the market. I urge that all members support this particular bill.

Mr. Deputy Speaker: The member had one minute remaining. Does he wish to reserve that?

Mr. Gaunt: Yes, I would like to, Mr. Speaker.

Mr. M. N. Davison: I'd like to congratulate the member for Huron-Bruce on introducing Bill 67, which will prohibit the sale of ionization-type smoke detectors. It is a legislative initiative that is both good and necessary, and I intend to support it.

In the past two years, several members of the Liberal Party and the New Democratic Party have raised this issue with the government and the government's response has been either vague or rather simplistic. I hope we hear something further in the way of a response today, if not total agreement with the bill as proposed.

I can recall on May 1, 1978, asking the Minister of Consumer and Commercial Relations the following question in the House: "In view of the fact that there is now a significant body of evidence indicating that the ionization type of smoke detectors constitute a risk to the health and safety of individuals who come into contact with them, and in view of the fact that the photo-electric type of smoke detector does not constitute such a hazard and thereby provides an acceptable alternative, will the minister consider amending the provisions of the Ontario Building Code so as to not permit the use of the ionization type of smoke detector in Ontario buildings?"

At that time, the minister responded that he would look into it and I can only suppose that his successor is still looking into it. That is one of the reasons why this legislative initiative has been made necessary.

I can recall members of the Liberal Party and the New Democratic Party questioning

the Solicitor General about this as it related to the fire code. The response of the Solicitor General's staff during estimates was that the radioactive hazard was negligible. It's kind to characterize that sort of ostrich-like approach as simplistic.

Members of the Legislature will be quite interested to know that in fact the government has made its answer well known. When one calls the Ministry of Government Services and talks to anybody in the property management branch of that ministry, they will inform you that 99.9 per cent of the government buildings in the province use ionization-type smoke detectors. The government position is fairly clear and on the record.

This issue raised by the member for Huron-Bruce has become even more crucial now that a number of jurisdictions have moved to make the use of smoke detectors mandatory.

The ionization type of smoke detector, as explained by the member for Huron-Bruce, is unlike the photo-electric detector because it is a device based on at least two different radioactive elements: not only americium 241 but also radium 226. As he said, americium 241 is indeed an alpha-emitting radioactive isotope. Members should be aware that it is very similar to plutonium in its toxicity as a cancer-causing element at extremely low levels of exposure. You don't need to be exposed to very much of it to experience serious harm, Mr. Speaker.

With one exception, I don't intend to deal with the safety of the detector in the home because that will no doubt draw from apologists the argument of comparison of radioactive levels to wrist-watch dials and other such things.

The one exception deals with the cleaning of the ionization type of smoke detector. Recommended regular cleaning involves removal of the cover of the detector and either a light dusting or a vacuuming. If the shield foil is at all misaligned, chips of americium can come onto the cleaner's hands, exposing them to a very serious hazard.

There are three other hazards I would like to make sure are on the record and clearly understood.

First of all, I am terribly concerned about the danger to workers who are making this product in the plants. The exposure to americium in the plant is totally unnecessary, and I find it objectionable.

Secondly, I'm concerned about the risk to the health and safety of firefighters who are summoned to buildings that store or manufacture these detectors because there exists in those buildings a very high concentration of these radioactive materials. The firefighters

could be in a position where they are called in, for example, to a department store and are not really aware of the degree of concentration and, therefore, can be exposed unnecessarily.

It is interesting to note that a leading manufacturer of the ionization-type detector in the United States submitted data to the Nuclear Regulatory Commission when they were studying the matter which estimated that a fireman fighting blazes in a warehouse containing only 1,000 completed units, a total of approximately 3,000 microcuries of americium, could receive a substantial dose, a 50-year internal dose of 37 rem. This estimate was based on the assumption that there is only 0.31 per cent leakage from the americium-containing foils. That indeed shows the scope and nature of the hazard posed to firefighters.

Thirdly, I share the concern of the member for Huron-Bruce over disposal. Now that the Atomic Energy Control Board is no longer insisting that radioactive detectors be returned to the manufacturer or to the board for disposal, we will indeed end up with all kinds of these detectors in our landfill sites. As has been pointed out, this element has a half-life of 458 years. It is terribly clear that this is not the kind of thing the government should allow to be tossed away in our local garbage dumps.

The ionization type of smoke detector is not a no-risk item. The debate centres only on the degree of hazard involved. Any degree of risk from a radioactive smoke detector is totally unnecessary because there are available on the market today at comparable prices safe and clean smoke detectors which are equally efficient. Indeed, the photo-electric type of smoke detector is more effective in the case of a smouldering smoke fire, the kind of fire that accounts for something like 75 per cent of home fires in North America.

I think the current policy of the government is nothing short of foolhardy. There has to be a change in policy. The question put before us by the member for Huron-Bruce is clear. Should we allow the sale of a radioactive device which presents a real hazard when there is an acceptable alternative? The answer is clear. The answer is no, and therefore I would recommend to members of this assembly that we support the member for Huron-Bruce and vote in favour of his bill.

Mr. J. Johnson: In rising this afternoon to debate this bill, I would like to say this is in no way an insignificant matter. The whole

issue of nuclear radioactivity is one which I feel is vitally important today as our society becomes more and more dependent on nuclear power.

Because it is an issue about which little is known by the average citizen, it is important also that our concerns are heard publicly. I sincerely commend the member for Huron-Bruce for his concern for the overall health and safety of our population and also for presenting us with this opportunity today to air some of our views. The honourable member introducing this bill has quite honestly and sincerely outlined some of his fears arising from the various warnings issued by public interest groups who feel that we must reduce the number of cancer-causing agencies in our environment. This is a principle about which few would argue and, as I have said, it is a most commendable one.

We are all interested in public safety and avoidance of human tragedy, but in this instance I really feel we must deal with both sides of the coin. The honourable member's bill, if passed, might in the long run alleviate some amount of human suffering, but it might also in some cases jeopardize the lives of human beings. I think it is important to examine all the facts pretty carefully before we come to any conclusions.

There are two kinds of smoke detectors, as has already been mentioned. The photo-electric cell detector measures light which is visible in the detector only when smoke is illuminated. Despite the advance in technology and increased sensitivity of photo-electric models to fires generating little smoke, the ionization detector remains much more sensitive to invisible smoke particles resulting from open, blazing fires.

[5:15]

Consumers Union has done considerable testing in this regard and I might just quote one section from Consumer Reports of January 1977, "Are Smoke Detectors Hazardous?" It states: "The ionization detectors, as a class, responded quickly—within about two minutes—to flaring fires that produce little or no visible smoke. In contrast, the photo-electric detectors generally ignored the smokeless blazes for as long as we allowed the test to run—about 10 minutes. In a blazing fire a matter of minutes or even seconds can spell the difference between entrapment and escape."

It has been stated accurately that most deaths caused by residential fires are the result of smouldering blazes detected most easily by photo-electric models. However, the second largest number of deaths related

to fires are those caused by open flames. These fires clearly, according to Consumers Report of January 1977, are detected much earlier by ionization detectors.

In fact, the US Consumers Union does recommend installing both models. They report a further advantage to the use of ionization detectors; most models don't rely on a household electrical supply which can be interrupted during fires. If it can be proved that ionization detectors save lives and the radiation danger is minimal, not just to residents but also to firemen, then plainly, we are discussing a cost-benefit situation.

Unfortunately, both safety and radiation are difficult to prove. It seems the benefits can be proven, whereas the possibilities of dangers are in fact, still open to question. Figures are not readily available, but approximately 55 to 60 per cent of all lives lost in fires are through residential fires. Most of these occur at night. Last year there were 7,487 fires in Ontario single family residences and the lives of 265 of our citizens were lost.

It is a safe assumption to say a significant number of situations have arisen in the past and will arise in the future in which a matter of seconds could mean the difference between life or suffocation. An ionization detector can provide earlier warnings and therefore permit faster escape from open blazes. Certainly the Consumers Union feels that conclusive evidence exists to prove the benefits of these devices over photo-electric detectors.

I'd like to take a few minutes just to mention for the benefit of the members some information I have on smoke detectors. Based on conversations with Harold Yoneyama, director of technical standards division, Ministry of Consumer and Commercial Relations and with Underwriters Laboratories of Canada, the following facts were confirmed.

I don't suppose there's much use in mentioning this because the members are not interested anyway.

Mr. Wildman: No, no, I will listen, Jack, I'm interested.

Mr. J. Johnson: Their statements are very similar to what the former mentioned. Radiation outside the unit is said to be less than that of a luminous wrist watch or a colour television set. It's an argument and each side is telling a story. It's a question of who we are to believe.

The Ontario Building Code requires all new houses to have one or more smoke detectors of either the ionization or photo-electric type, and approvals are based on tests from ULC. The Atomic Energy Control Board used

to require that all ionization smoke detectors be returned to the supplier for disposal, but as of about six months ago they decided the radiation was so minimal the detectors could be disposed of in normal garbage. That's from the Atomic Energy Control Board and I thought they were a responsible body.

Ms. Gigantes: The people who brought you Port Hope.

Mr. J. Johnson: If they are not, maybe we are all in deep trouble. While it would be difficult to produce evidence of health damage because of radiation from an ionization detector, it can be proved easily that lives are lost in house fires where there are no smoke detectors. This is the single most significant concern I have with this bill. I say to the member for Huron-Bruce that reluctantly, I cannot support this bill prohibiting the sale of this type of smoke detector because in my opinion, the greater danger is that much of the public will perceive smoke detectors of all types to be dangerous to their health and as a result may not install any fire detectors—

Mr. M. N. Davison: What about the factory workers who make them and who are exposed?

Mr. J. Johnson: —in their homes. I am sure all members would agree that this indeed would be a tragedy and would without question—

Mr. Kerrio: You are setting up a smoke screen.

Mr. J. Johnson: —lead to the possible loss of many lives. In fact, Mr. Speaker, that very concern is described in detail in Consumer Reports, January 1977.

In closing, Mr. Speaker, I once again commend my colleague from Huron-Bruce for his good intentions, but respectfully request that this bill be delayed until a new or better smoke detector is available.

Mr. M. N. Davison: Are you going to block it?

Mr. B. Newman: I rise to support the legislation introduced by my colleague, the member for Huron-Bruce. You will find, Mr. Speaker, that he always introduces good common-sense legislation that should be accepted by government simply because he introduces it. In deciding whether or not to permit the sale of consumer products containing radioactive materials, the decision must be based on a complex balance between the risk and the benefits involved. At least one can deal with large facilities such as power plants, where one can impose very stringent requirements to contain any radioactivity produced and theoretically, releases can be cut to

extremely low values, which is itself an arguable point.

But this isn't the case with all consumer products. By the nature of their use, these products are dispersed and are beyond control. Even though the individual exposures may be very low, very large numbers of people may be affected and retrieval of the material in the event that unforeseen consequences develop cannot be assured.

In particular, research and review are needed on such questions as what is the benefit of the use of radioactive materials? Is it a unique benefit? Are there other ways of achieving the same goals that do not involve radioactivity? What differences in effectiveness are there? In this connection, I would like to stress that in the case of residential smoke detectors, a non-radioactive alternative to the ionization type is available. The photo-electric smoke detector is just as effective as the ionization type in the home and the work place according to tests performed at the National Bureau of Standards in the United States. An article by Ralph Nader in the Ladies Home Journal of February 1978—and these articles are more up to date than previous articles mentioned by my colleague who spoke just prior to my comments—states that a study done by Underwriters Laboratories and the Illinois Institute of Technology shows no apparent difference in lifesaving potential between ionization and photo-electric detectors. The October 1976 Consumer Reports states that no clear answer can be given to the question of whether photo-electric or ionization devices represent a better bet for safety in the home. They say that statistically, smoky fires cause the greatest number of deaths and photo-electric models react to smouldering fire faster than ionization models, although ionization models react faster to open flame fires. The Canadian Consumer of October 1978 had this to say: "Some fires are slow-burning, smoky affairs, which contain large particles. Others are quick-burning and flaming with small particles. The slow-burning fire is the most insidious. Bear in mind the oxygen depletion and the possible inhalation of noxious gases increases directly with the length of smoke buildup. When faced with the smouldering fire, the photo-electric devices were by far the best performers. The poorest performer among the photo-electrics was still more sensitive than any ionization device. The ionization devices eventually responded to the smouldering fire, but as a group they were less sensitive to smoke buildup than the photo-electrics."

Although it is acknowledged that the photo-electric type responds more quickly in cases of smouldering fires in a mattress or a chair, for example, where smoke particles are large, while the ionization device responds faster to clean flames and smaller particles, as would be generated by a wastebasket fire, according to US fire research engineer Richard Bright: "In general, the smoke from the typical dwelling fire will be composed of a wide range of particle sizes, so given the present state of knowledge either detector will suffice."

Defenders of radioactive detectors must be asked why take any risk when other types of detectors, devoid of inherently dangerous elements, can function equally well and save lives? There is absolutely no justification for sanctioning the widespread use of any devices containing dangerous carcinogenic material when it can be avoided. If there is not a decided advantage in using a product with radioactive material in it, as opposed to a similar product that will do the same job, it should not be authorized. This would go a long way towards doing away with any unnecessary radiation.

A large number of firms manufacture both types of devices in Canada, those using americium as well as radium-226. An article appearing in the *Montreal Gazette* on January 26, 1979 quotes the president of a Canadian company stating that: "We will anticipate the market will be close to \$2 million in 1979 and we will capture half of that market."

That was a manufacturer of an ionization device, a device we strongly oppose while we have a photo-electric device that will accomplish exactly the thing we are looking for.

While at present photo-electric devices are marginally more expensive than ionization models, their costs are relatively insignificant in light of the purpose they fulfil. There is no reason to expect the market to shrink just because the ionization device is prohibited. Government legislation, incentives from fire insurance companies, promotion and education programs of fire departments, will continue to ensure consumer demand for smoke detectors, so that manufacturers now making the ionization device could easily switch over to producing the photoelectric model.

On a more general level, we should not forget that radiation protection standards in use throughout the world closely follow the recommendations of the International Commission on Radiological Protection. These protection standards are not intended to represent safe levels, rather they are intended

to be levels where the associated risk is acceptably low. It is important to note that the history of these standards is that as new biological evidence has accumulated the standard has been made more restrictive. During the past few decades, we have found that radiation risks are far greater than we anticipated them to be some years ago. The risk of malignancy is now estimated to be 10 times what we thought it was a few years ago.

Dr. Karl Morgan has said: "There is a question about the genetic risk, whether it is greater or less, and we know almost nothing about the long-range genetic risks to man. Some years ago we had the impression that as long as one did not exceed a certain dose one was safe. I am convinced that is not a tenable hypothesis."

[5:30]

Dr. Arthur Templin, a staff scientist at the National Resources Defence Council in Washington, states in a paper he prepared in August, 1977 on biological effects of radiation: "Both experimental data and theoretical considerations indicate that any amount of radiation, no matter how small, must be considered as harmful to man."

For low doses of environmental radioactivity this means that any radiation exposure, no matter how small, carries with it some risk of cancer induction. Acceptability of the small doses likely to be received into the environment from the future production of consumer products containing radioactive substances with long half-lives and no controls over disposal should only be judged after the various risk options open to society have been compared. Extensive further investigation must be undertaken to determine the effects of ionization radiation on the environment. In particular, the Environmental Protection Agency and other agencies such as the National Research Council and the United Nations Scientific Committee on the Effects of Atomic Radiation have called for the improvement and strengthening of programs and ecological studies to answer vital questions about the release of radioactivity to the environment, especially on how these materials move through the environment, where they are concentrated in natural systems, what their effect is on the environment itself, how long it might take for them to move through these systems to a position of contact with man, and how all this information can be used as an early warning system to prevent potential problems from developing.

Mr. Speaker: The honourable member's time has expired.

Mr. B. Newman: Thank you, Mr. Speaker. I have one more paragraph but I will accept your ruling.

Ms. Gigantes: I am pleased to rise and join my colleagues in support of Bill 67, a bill which I support enthusiastically. The need for this kind of bill has never been more obvious than it is today, as the member for Huron-Bruce (Mr. Gaunt) mentioned earlier, because we have begun to accumulate a knowledge of how we are receiving exposure to radioactivity and how each part of the radioactivity we receive in our bodies adds to the other parts and accumulates as a potential danger to the body.

It also accumulates as a potential danger to the human species. As the member for Bruce-Huron pointed out, in addition to the exposure for individuals who either work or live near radioactive ionizing-type detectors, there is the problem of what will happen when disposal occurs for various reasons. There is a threat to the environment and long-range danger to the food cycle that we cannot ignore in terms of public health protection.

It seems to me we have not had an adequate understanding of the philosophy on which we should be operating in terms of public health protection in the use of agents and devices such as the ionizing detector. It has been the habit of this government and the federal government, indeed of governments around the world, to wait until a danger is established, to wait until there is a body count, to wait until there is damage, to wait until there is physical destruction before banning certain agents, certain drugs, certain pieces of equipment. We have seen a tragic history of human agony built up in cases such as thalidomide, a drug developed specifically for use by pregnant women, a drug which was not tested on pregnant animals. We know what human tragedy was created.

We hear now of asbestos in hair dryers. Is there any more direct a way of promoting the inhalation of asbestos than to put asbestos liners in hair dryers? We have had it proved to us by Ralph Nader that some cars, which have been designed and marketed in the hundreds of thousands in North America, are unsafe at any speed to the consumers who bought them.

We know from evidence that has been released today that the level and power of diagnostic X-rays in this province are far higher than any reasonable exposure for

patients. We know from practices in Vietnam, from sad experience in the United States that the use of 2,4,5-T causes miscarriages. We know that Vapona strips which are used to catch flies, for heaven's sake, are dangerous to human health. And we know that government after government has been reluctant to ban the use of these agents, has been reluctant to set up standards to ensure consumer protection.

The philosophy has been unless we have a body count, unless we know that it is dangerous, then there won't be a ban, there won't be a proscription on sales. That's the wrong philosophy. Instead, as soon as a question of public health is involved, we should be moving to a philosophy which says, if this agent, this piece of equipment may be suspect in terms of public health, then we must call for a moratorium on its use until the safety is established. The onus must be the other way around. It should not be incumbent on citizens' groups, on underfunded bodies of concerned citizens to establish that a public health danger exists.

As soon as there is a question about public health, then there must be a response from government that calls for a moratorium; no use of this agent, no use of this equipment until safety is established.

Mr. Speaker, on this piece of equipment more than all others there is no excuse for inaction by government. As my honourable colleagues the members for Windsor-Walkerville (Mr. B. Newman) and Huron-Bruce have pointed out, there is an alternative in terms of fire protection for home and for work. There is no excuse for using ionizing radiation when we can accomplish a very satisfactory substitute through photo-electric detection.

A bylaw has been passed in the township in which I live which requires all residences to have fire detectors installed. As you have heard from previous speakers, most of those detectors will probably be of the ionizing radiation type. I don't know if you have ever installed a smoke detector, Mr. Speaker, but most of them are attached to the ceiling. If you have an eight-foot ceiling and you happen to be a five-foot-four-inch person, then you have to get up on a chair to try to attach one of these devices to a ceiling. The chances that you are going to perforate the foil which is supposed to shield the radioactive contents of that detector are very great. As my honourable colleagues from the Liberal Party have pointed out, replacing the battery or even cleaning the battery constitutes a hazard; and these dangers will be-

come more prevalent as the age of the smoke detector increases.

Taking everything into consideration I can see no reason why this bill should not be supported, and every reason why it should. I hope that most members will join me in giving support to it.

Hon. Mr. Bernier: I rise to comment on this particular bill because of my personal interest in fire protection and smoke detectors in northern Ontario and because of the large area I personally represent and the very vast area for which my own ministry has responsibility.

Before I get into my comments, I want to compliment the member for Huron-Bruce for bringing this forward. He's recognized in this House for his common sense and for his concern for his fellow men. We've always recognized him for those fine qualities. I compliment him on bringing this forward as it does give us a chance to debate the various issues. I hope that when this debate is over we will not have raised the fears of the public, particularly those who have purchased smoke detectors and are using them for the protection of their families right across this province.

Mr. Warner: He has done such a good job. Tell us about the guillotine now.

Hon. Mr. Bernier: My colleague, the member for Wellington-Dufferin-Peel (Mr. J. Johnson), has very ably laid out a number of arguments which I wholeheartedly support. I want to tell the members of the House that when the Ministry of Northern Affairs was established one of the first priorities we identified was the lack of a formal firefighting protection system in northern Ontario. In many small, isolated, remote communities of northern Ontario, there is no formal structure and there is no fire protection of any sort.

With the assistance and the co-operation of the Unorganized Communities Association of Northern Ontario, East and West, headed by very able people and very capable people, including Kathy Davis from Hurkett and Gerald Violette from Gogama, who also identified this particular problem very quickly, we looked around.

They spent a lot of time and a lot of effort going through and meeting with various organizations and doing research with regard to smoke detectors. They assured themselves, after a tremendous amount of research, that the ionized smoke detector was the one they should be promoting in northern Ontario.

I live in a small, unorganized community in northern Ontario and I have two smoke

detectors in my home. When I purchased them four or five years ago they were \$49 each. They had just been put on the market. I felt very strongly about it and purchased two and installed them myself.

I say to the member for Ottawa-Carleton (Ms. Gigantes) that there was no difficulty in installing them and there was no danger in puncturing the foil around them. They are relatively simple to install and maintain. The battery does burn out periodically, but there is an identifying noise that lets one know when this happens. They're very easy to maintain. I can assure members that when I go to bed at night I feel very comforted that I have that type of protection. Those of us who live in frame houses in northern Ontario, who don't have fire protection, have to rely on these types of things.

It's the old battle. When I first saw the bill, I had to say to myself it's the old deal of the photo-electric people fighting the ionization group. It's the same battle we have heard over the past several years.

The death rate, as I pointed out a few moments ago, is of concern to me and my ministry. The death rate due to fires is about five times higher in northern Ontario than it is in other parts of the province. This is why we moved so quickly and so decisively to assist the residents in unorganized areas to purchase smoke detectors. We went so far as to subsidize the purchase of those detectors.

I was surprised that the northern members didn't get involved in this debate. I am sure there are northern members on the other side of the House who have ionized smoke detectors in their homes, as I do.

Mr. Wildman: Why are you looking at me like that?

Mr. Bradley: My detector says you are going to block this bill.

Hon. Mr. Bernier: I think you are right.

Mr. Warner: That's what I thought. It's the old guillotine, and you are the dull edge of it.

Hon. Mr. Bernier: I know that you are very familiar, Mr. Speaker, with the Northern Affairs smoke detector subsidy programs. To date we have assisted UCANO East and West in selling about 4,900 smoke detectors throughout the entire northern part of this province. We conducted a very large promotional campaign for two full years, both on radio and on television, bringing this new program to the people of northern Ontario.

The success stories are there, Mr. Speaker, as you well know. You will recall the tragic deaths in your riding, in Hurkett, a few years ago, when we lost six or seven children.

[5:45]

Mr. Speaker: Eight.

Hon. Mr. Bernier: Eight children were lost in a fire in which the coroner clearly spelled out that had there been a smoke detector in that home those eight children would be alive today.

On December 18, again in your riding, in the *Geraldton Times-Star* there was the paragraph: "The Matthews family escaped their burning home into a winter's night, thanks to the shrilling of their newly-installed smoke detector." Apparently they had purchased and installed the detector only the day before. The editor went on to say: "Had it not been for the smoke sensor, who knows what would have happened to that family?"

These are the things we're reading about regularly throughout the north. We're getting compliments from those people who have installed them. There is the comfort of knowing they have at least that kind of protection. This has been followed by a very ambitious program to provide those unorganized communities with other types of firefighting equipment, such as portable pumps and fire trucks, on which I will not dwell at this time.

The Underwriters' Laboratory of Canada is a recognized testing laboratory which reports to the fire safety council made up of representatives of the fire safety community from across Canada. ULC tests products and also carries out a product followup. This recognized testing laboratory, along with the Canadian Standards Association which develops specifications, accept smoke detectors which use either the ionization principle or the photo-electric principle. ULC has accepted both types of detectors as safe and reliable.

It is also the opinion of the radiation protection services of the Ministry of Labour, and the consumer protection branch of the Ministry of Consumer and Commercial Relations that the levels of radiation emitted from ionization smoke detectors are quite low and are not considered dangerous to public health. As the member for Wellington-Dufferin-Peel pointed out, there is more radiation, apparently, from a colour television set than from the ionized smoke detector. Further, Ontario building code accepts both ionization and photo-electric smoke detectors in its requirements for all new buildings.

Mr. Speaker: The member has about 30 seconds.

Hon. Mr. Bernier: The fire marshal's office, which works very closely with my ministry and the Unorganized Communities Association of Northern Ontario, also supports the installation of ionized smoke detectors in the homes throughout this province.

So with that type of research, with that strength, with that type of support right across northern Ontario, regretfully—and again I want to compliment the member for his concern—I have to tell him I cannot accept the bill as it is presented today.

Mr. Gaunt: Mr. Speaker, I want to thank the members who have taken part in the debate; the members for Hamilton Centre (Mr. M. N. Davison), Wellington-Dufferin-Peel, Carleton East, Kenora and Windsor-Walkerville, who have expressed support and/or kind comments.

The member for Wellington-Dufferin-Peel indicated that by banning this type of smoke detector we might be saving some lives down the road a few years, but at the same time we might be jeopardizing other lives because the photo-electric type is not as effective in terms of alerting people to clean burning and hot, instant fires. This is quite correct, but I would simply say to him that the photo-electric type undoubtedly could be improved. I think there is no halt to the research and development that can be done with respect to the photo-electric type, and I'm sure it could be improved to the stage when it had a smoke and a heat detector all in one package.

I'm not arguing against smoke detectors, I encourage their use. I'm just saying that I want a safe, effective device rather than one which has a risk attached to its manufacture, use, and most important disposal. There has been some concern that the public might get the impression all smoke detectors are bad. I hope that isn't the case. I encourage their use. I would simply say that if that is a fear on the part of the government, the province can simply require the installation of safe smoke detectors in the homes across this province. That would overcome the problem.

I hope the government doesn't block the bill.

Mr. Nixon: It wouldn't dare.

Interjections.

Mr. Speaker: Order.

MEMBERSHIP OF POLICE
COMMISSIONS

Mr. Speaker: Mr. Watson has moved resolution 13.

Resolution concurred in.

PUBLIC HEALTH AMENDMENT ACT

The House divided on Mr. Gaunt's motion for second reading of Bill 67, which was negatived on the following vote:

AYES

Blundy; Bradley; Breithaupt; Conway; Cooke; Cunningham; Davidson, M.; Davison, M. N.; Edighoffer; Gaunt; Germa; Gigantes; Hall.

Isaacs; Kerrio; Laughren; Lawlor; Lupusella; Makarchuk; Mancini; Martel; Mc-

Clellan; McGuigan; Miller, G. I.; Newman, B.; Nixon.

Peterson; Reed, J.; Riddell; Roy; Ruston; Samis; Van Horne; Warner; Wildman; Worton; Young.

NAYS

Ashe; Belanger; Bernier; Birch; Brunelle; Cureatz; Drea; Eaton; Elgie; Hennessy; Hodgson; Johnson, J.; Kennedy; Kerr.

Lane; Leluk; MacBeth; Maeck; McCague; McNeil; Miller, F. S.; Newman, W.; Norton; Parrott; Pope; Ramsay; Rotenberg.

Rowe; Scrivener; Smith, G. E.; Snow; Stephenson; Sterling; Taylor, G.; Timbrell; Turner; Villeneuve; Watson; Welch; Williams; Wiseman.

Ayes 37; nays 41.

The House recessed at 6 p.m.

APPENDIX

ANSWER TO QUESTION
TAKEN AS NOTICE

(See page 1789)

REED PAPER COMPANY

Mr. S. Smith: Would the minister be good enough to supply the House with figures for the allowable cut and for the actual cut for

the various species in the various timber limits that Reed has had?

Hon. Mr. Auld: The Leader of the Opposition asked me a question on April 19, and again on May 7, regarding the annual allowable cuts and the actual cuts for various tree species on lands licensed to Reed Limited. As promised I am pleased to table the answer with the Clerk of the House.

Actual and Allowable Cuts by Species
Reed Limited

Table No. 1. South Working Circle

Period	Species	Allowable Cut Per Year—Cunits	Allowable Cut For Period—Cunits	Actual Cut Period—Cunits
1971-78	Spruce	73,050	511,350	509,990
1971-78	Balsam	4,860	34,020	5,176
1971-78	Jack Pine	110,330	772,310	704,010
1971-78	Red and White Pine	1,460	10,220	5,866
1971-78	Other Conifers	2,135	14,945	571
1971-78	White Birch	12,990	90,930	1,374
1971-78	Poplar	41,325	289,275	17,138
1971-78	Other Hardwoods	200	1,400	115
Total		246,350	1,724,450	1,244,240

Table No. 2. North Working Circle

Period	Species	Allowable Cut Per Year—Cunits	Allowable Cut For Period—Cunits	Actual Cut Period—Cunits
1971-78	Spruce	195,525	1,368,675	214,718
1971-78	Balsam	12,585	88,095	3,360
1971-78	Jack Pine	76,780	537,460	58,510
1971-78	Red and White Pine	420	2,940	—
1971-78	Other Conifers	—	—	55
1971-78	White Birch	21,400	149,800	—
1971-78	Poplar	29,580	207,060	20
Total		336,290	2,354,030	276,663

ANSWER TO QUESTIONS
ON NOTICE PAPER

(See page 1791)

SCHOOL BOARD STATISTICS

164. Mr. Bounsall: Will the Ministry of Education table data from the September board report for each school board where September 1978 enrolment exceeded 2,000 pupils; the total number of full-time equivalent teachers who spend the majority of their time as regular classroom teachers? Secondly, for each of these school boards, will the ministry state the ratio of pupils to full-time equivalent regular classroom teachers; that is, the number of classroom teachers, plus the number of full-time equivalent part-time teachers? For the 20 largest school boards,

will the ministry also table comparable figures from September 1975? [Tabled April 26, 1979.]

See sessional paper 55.

APPRENTICESHIP PROGRAMS

165. Mr. Cassidy: Will the ministry provide figures, by skilled trade category, for each of the years 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978 and 1979, giving: (i) The numbers of apprentices who completed their training; (ii) the number of these apprentices who received compulsory certificates; and (iii) the numbers of these apprentices who received voluntary certificates. [Tabled April 26, 1979.]

Hon. Miss Stephenson: The chart below provides the information requested.

Apprenticeship Completions for Nine Fiscal Years

Trade Category	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Construction Trades									
Compulsory Certification	1,503	1,627	1,312	1,384	1,277	1,438	1,557	1,392	1,577
Voluntary Certification	20	61	33	50	199	293	271	527	573
Regulated but Non-Certified	166	142	151	165	—	—	—	—	—
Total	1,689	1,830	1,496	1,599	1,476	1,731	1,828	1,919	2,150
Motive Power Trades									
Compulsory Certification	1,270	1,256	1,228	1,382	1,309	1,523	1,593	1,583	1,833
Voluntary Certification	30	78	79	115	101	105	129	132	206
Total	1,300	1,334	1,307	1,497	1,410	1,628	1,722	1,715	2,039
Service Trades									
Compulsory Certification	438	412	324	330	306	312	318	317	308
Voluntary Certification	83	71	78	88	83	110	103	109	113
Regulated but Non-Certified	—	10	9	15	10	13	10	17	—
Total	521	493	411	433	399	435	431	443	421
Non-Regulated/Non-Certified Trades									
Total	902	636	471	711	565	691	794	899	1,208
Grand Total	4,412	4,293	3,685	4,240	3,850	4,485	4,775	4,976	5,818
Summary									
Compulsory Certification	3,211	3,295	2,864	3,096	2,892	3,273	3,468	3,292	3,718
Voluntary Certification	133	210	190	253	383	508	503	768	892
Regulated but Non-Certified	166	152	160	180	10	13	10	17	—
Non-Regulated/Non-Certified	902	636	471	711	565	691	794	899	1,208
Grand Total	4,412	4,293	3,685	4,240	3,850	4,485	4,775	4,976	5,818

NUDE ENTERTAINMENT

167. Mrs. Campbell: Will the minister advise the House as to: 1. The number of charges laid in the last year under section 170 of the Criminal Code against, (a) burlesque entertainers, and (b) club owners who employed burlesque entertainers? 2. The number of charges laid in the last year under sections 21 and 22 of the Criminal Code against club owners who have encouraged burlesque entertainers to perform nude contrary to section 170 of the Criminal Code? 3. The number of convictions obtained for each of the above charges? 4. Whether direction has been given to the police and crown attorneys regarding the laying of charges and the prosecution of charges of "nudity" under section 170 of the Criminal Code? 5. The nature of the Attorney General's consent to proceedings under section 170(3) of the Criminal Code? [Tabled April 27, 1979.]

Hon. Mr. McMurtry: 1. In the last year, under section 170 of the Criminal Code: (a) There were 25 charges laid against burlesque entertainers; (b) there was one charge laid against an owner or manager.

2. There was one charge laid under section 22 of the Criminal Code against an owner or manager—the same charge mentioned under 1(b).

3. Of the 25 charges in 1(a), four have resulted in convictions and 21 are pending trial. One of the four convictions is under appeal. The one charge against an owner or manager is pending trial.

4. No direction has been given to the police or to the crown attorneys concerning nudity prosecutions.

5. Requests for consent to prosecute are received from the local crown attorneys. Our policy has been to consent to a prosecution where there is evidence that a burlesque entertainer deliberately was nude in public in the presence of other persons. Under section 170 a person is nude who is so clad as to offend against public decency or order. The only charge usually available against an owner or manager is counselling or procuring nudity and this poses evidentiary problems since it requires the dancer to testify against the employer. Our policy is to prosecute the owner or manager wherever sufficient evidence exists. If a dancer is willing to testify against an owner or manager then we will prosecute him but we usually are unable to do so without the dancer's evidence.

FOREIGN INVESTMENT

168. Mr. Laughren: Would the Ministry of Industry and Tourism table the criteria on

which it makes its recommendations to the Foreign Investment Review Agency on foreign takeovers of business and new foreign business in Ontario? [Tabled April 27, 1979.]

Hon. Mr. Grossman: One of the criteria for federal assessment of applications as contained in the act states: "The compatibility of the acquisition or establishment with national industrial and economic policies, taking into consideration industrial and economic policy objectives enunciated by the government or legislation of any province likely to be significantly affected by the acquisition or establishment."

The Minister of Industry and Tourism has been given the responsibility for developing the position of the government of Ontario in response to each application received from FIRA and in doing so draws on the advice of other ministries depending on the nature of the proposed business activity.

There is considerable input by this ministry into the consideration by the Foreign Investment Review Agency when assessing a reviewable application by a non-eligible person to establish a new business or acquire a Canadian business that is likely to affect Ontario significantly.

The great majority of decisions reached by the federal government are compatible with the position of this province as both governments are seeking significant benefits to this country. However, my ministry does not hesitate to take a firm stand when it is believed that a FIRA position may be contrary to the industrial and economic policy objectives of Ontario. The resolution of such possible disagreement tends to lead to an ultimate high degree of compatibility by the two levels of government.

Applications cover a very broad range of business activities such as resource development, manufacturing, trade, commercial and retail services and financial institutions. Consequently my ministry's assessment must take into account the policies of many other ministries which are known to the members. One very strong positive factor in all of these evaluations is, of course, the creation of jobs.

There are a number of other criteria used. Some of these deal with the effect of the investment on resource processing, import replacement, exports, productivity, innovations, competition and with the participation of Canadians in the management and in the equity of the enterprise. A copy of our assessment sheet which shows our current criteria is attached.

Ministry of
Industry and
Tourism

Ontario

Assessment Sheet

FIRA CASE	_____
APPENDIX	_____

CONFIDENTIAL

APPLICANT

CBE or New Business

The effect of the proposal on the following Ontario Objectives		Ref.
Create more jobs		
Increase the skills and knowledge of Canadians		
Increase the use of Ontario materials and components		
Improve the value of products and services		
Maintain the viability of dependent Ontario companies		
Increase the use of Ontario service industries		
Transform exports from primary products to manufactured products		
Increase exports of manufactured products		
Increase the replacement of imported products		
Introduce new technology and other innovations		
Increase research and development in Ontario		
Increase Canadian equity control of Ontario industry		
Achieve equitable regional economic and social opportunities		

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Davison, M. N. (Hamilton Centre NDP)
Edighoffer, H.; Deputy Speaker (Perth L)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
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Lawlor, P. D. (Lakeshore NDP)
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Mancini, R. (Essex South L)
McCague, Hon. G.; Chairman Management Board of Cabinet (Dufferin Simcoe PC)
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Miller, Hon. F. S.; Treasurer, Minister of Economics (Muskoka PC)
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No. 44

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, May 10, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 10, 1979

The House resumed at 8 p.m.

GIFT TAX REPEAL ACT

Hon. F. S. Miller moved second reading of Bill 48, An Act to repeal the Gift Tax Act, 1972.

Hon. F. S. Miller: Mr. Speaker, in our opinion, having passed the repeal of the Succession Duty Act, it is necessary to repeal the Gift Tax Act, since its reason for being was to prevent a short-circuit of the Succession Duty Act. Therefore, we are repealing this act, with your permission.

Mr. Peterson: Mr. Speaker, we regard this as a companion piece to the bill we debated on Tuesday of this week. Probably the same philosophical and financial arguments apply thereto. I am sure this is not necessarily going to prevent our socialist friends from some degree of repetition; some of them do it fairly eloquently, and I do not even mind on occasion. But at this point my colleagues and I, having accepted the original bill to repeal the Succession Duty Act, accept this bill; I do not think it is necessary to repeat the arguments in favour thereof.

Mr. Laughren: Mr. Speaker, it certainly would have been a jar to my entire metabolism if the member for London Centre had said anything differently from what he did.

Mr. Peterson: Maybe I'll change that. I would like to jar him.

Mr. Laughren: The member for Muskoka did not have to tell us why he wants to put this bill through; it is obvious why a Gift Tax Act was brought into place in the first place: If we did not have a gift tax and we had a succession duty, then of course the people would simply give their legacy in the form of a gift before they died, if they could accurately predict when and where that might occur. Obviously there had to be a gift tax to protect the revenues from succession duties.

What we must understand about this bill is that the Gift Tax Act already protected people who wanted to give away money; they could give \$10,000 to any one recipient and \$50,000 in a year by a donor. There was ample protection there. It was not as though people suddenly were not going to be able

to give Christmas gifts; that was obviously not in the purpose of the Gift Tax Act. Over a period of 10 years a person could give away \$500,000; now we are going to do away with that entirely.

What the Treasurer and the Liberal Party tried to do the other night on this kind of tax was to deceive us in this chamber and anyone else who might happen to read—

Mr. Peterson: That is highly unparliamentary, Mr. Speaker. He should withdraw that.

Mr. Laughren: Deception is unparliamentary, I say to my friend.

Hon. Mr. Davis: This is the Allan Blakeney legislation.

Mr. Laughren: I want to tell him it is quite appropriate for him to deceive but not appropriate for us to accuse him of deception. I see the game he is playing. I would like to briefly quote from Provincial and Municipal Finances, 1977, put out by the Canadian Tax Foundation, an organization I am sure the Speaker is most familiar with, having practised before the bar, maybe numerous bars.

"In Ontario a system of tax forgiveness eliminates any adverse effect of a succession duty on family incorporated businesses and family working farms, including incorporated farms and family partnerships. Duty is forgiven over five years at the rate of 20 per cent of the duty and interest each year, computed on the market value of the shares of the business or the farm, provided it continues to be owned and operated by members of the deceased's family."

All the protection for small businesses and farms was already provided right there. The Liberal members the other night were attempting to deceive us into thinking those people would be hurt. Nothing could be further from the truth, and yet there they were. The Treasurer is party to the whole game of deception as well, but we simply will not buy it.

Mr. Lawlor: Your next move will be the move against capital gains taxation.

Mr. Laughren: Not only that, but the tax which people paid under these acts was already deductible from the federal capital gains tax they paid. That has been in effect since 1977. Did the Treasurer stand up and

say that when he was saying why it was so necessary?

Mr. Lawlor: I don't think he is aware of that.

Mr. Laughren: He may not have been aware of that, even though he stands up and says, "We can't have double taxation in the province of Ontario because of the capital gains tax." The Liberals nod sagely and say, "Yes, that's true; we can't have double taxation."

What a lot of nonsense. This is clearly a case of the other parties not wanting to tax wealth. It is as plain and simple as that. They do not want to tax wealth.

Mr. Kerrio: Put yourself in our shoes. Who would you support if you had to support the government or your gang?

Mr. McClellan: Try being your own man for once, Vince.

Mr. Laughren: If we could convince the member for Niagara Falls that his talents are required elsewhere we would all benefit, except the people he went to help.

Mr. Worton: If you had nothing you wouldn't mind giving it away.

Mr. Laughren: That is a very interesting interjection; another Liberal says, "If you had nothing, you wouldn't mind giving it away."

Mr. Worton: That's right.

Mr. Kerrio: NDP policy.

Mr. Laughren: Isn't that interesting. That is exactly the point, isn't it? The majority of the people out there don't have anything to give away, but you are protecting the ones who do. That is exactly what you are doing. Don't tell me that people who are getting protection are the ones who need protection.

Mr. Kerrio: If you could pick anywhere in the world, where would you go from here?

Mr. McClellan: Why should he leave here? Why should anybody leave here?

Interjections.

Mr. Acting Speaker: The member for Nickel Belt wants to be serious. May we have a little order for him?

Mr. Kerrio: Certainly.

Mr. Laughren: It is going to be doubly difficult, with the member for Niagara Falls and the Premier here at the same time, being serious about any issue in this chamber.

Hon. Mr. Davis: Now, Floyd, that is not polite.

Mr. Laughren: Well, it is true. The performance of the Premier during question

period in the past month has been deplorable, absolutely deplorable.

Mr. Hennessy: What about your leader for the past three months?

Mr. Laughren: The Premier has refused to address any issue seriously in the last month.

Mr. Kerrio: When you can't stand the heat get out of the kitchen.

Mr. Acting Speaker: The subject of the bill is to repeal the Gift Tax Act.

Hon. Mr. Davis: Take a look at the questions.

Mr. Laughren: Yes, we have looked at the questions. The Premier should be looking at them too.

Mr. Makarchuk: You have been taking lessons from Pierre, you know.

Hon. Mr. Davis: Who?

Mr. Makarchuk: Pierre.

Hon. Mr. Davis: Who?

Mr. Martel: That's Joe you are talking about.

Mr. Makarchuk: Not Joe, Pierre, he is having a tough time living that down.

Mr. Laughren: I did not for a moment think the Premier entered the chamber tonight to seriously engage in or listen to the debate. That never entered my mind; nor did it enter the Premier's mind. I have no illusions about why he came into the chamber tonight. It was not to engage in the debate, was it?

Hon. Mr. Davis: I came to listen to the member.

Mr. Laughren: Did the Premier come in to engage in the debate? No; only if he is abused to the point where he feels he has to do so to maintain any honour.

Mr. Acting Speaker: Will the honourable member please return to the repeal of the Gift Tax Act and I will try to control the House.

Mr. Laughren: If the others will stop abusing me, I will get back to the bill.

Mr. Peterson: Why is the member for Nickel Belt so testy tonight?

Mr. Laughren: I am testy tonight. When I think about the debate the other night on the succession duty tax and the arguments that were used by the Treasurer and by the official opposition, I get angry all over again.

Mr. Hennessy: An angry young man.

Mr. Martel: The Liberals the other night changed their position again.

Mr. Laughren: It was a pretty shabby performance.

Mr. Martel: They voted against succession duty in 1973 and 1974.

Mr. Lawlor: The feds step out of the whole field and make room for you guys so that you could get a little money. What do you do? You abolish it immediately afterwards so that there is none for anybody.

Mr. Laughren: My colleague from Lakeshore made the one intelligent interjection of the evening.

Mr. Kerrio: He's really suffering too.

Mr. Laughren: He's absolutely right. The feds did stand aside and this government was supposed to take up the tax room that was left but the Treasurer abolished it and stepped out of it. It is not as though we were protecting a single person who needs protection. The people who are getting protection because of the abolishment of these two bills are people who need no protection from this government or anybody else.

Mr. Kerrio: They only make the country go; that's all.

Mr. Laughren: There were lots of exemptions under the existing legislation without abolishing this legislation. For example, in the gift tax exemption, for \$25,000 or less there was a 15 per cent tax; over \$25,000 and up to \$50,000, it was 37.5 per cent plus 20 per cent on the next \$25,000. There were lots of exemptions. I could go right through the list up to \$200,000. There were lots of exemptions there under the existing legislation and there was no need for the Treasurer to abolish either of these bills.

I understand the difficulty of maintaining one of the bills without the other; that's why they are companion bills. But there is no justification whatsoever for it. I said before that the abolishment of these bills is not protecting people who need protection. I look at a very quick list of income tax shelters available to people who have the kind of discretionary incomes to invest in them. I look at the multiple-unit residential buildings program, MURBs as they are known, capital gains, RRSPs, RHOPs, RPPCs—that's registered pension plan contributions—return preferred stocks and the interest income deduction program. There are more exemptions and protections there than they need for people who have income, particularly when they have already got exemptions under gift tax and succession duties as well.

Here we have the Treasurer saying to the people of Ontario, the vast majority of whom

don't have any opportunity even to take advantage of these things, "We haven't given you enough; we're going to give you more." That's what he's saying. We can't buy that kind of argument at all. The Treasurer at some point along the way is going to have some answering to do for this budget.

My own suspicion is that because of the federal election which is under way now the Treasurer has got off very lightly on his budget because of the kind of budget he has brought down. If we were not in the middle of a federal election, he would be feeling the heat a great deal more than he is now because that is a bad budget. One of the worst parts of the whole budget was the abolition of succession duties and gift taxes. There was simply no economic or social justification for the abolishment of those taxes.

I know the Treasurer sneers at egalitarianism. He stood up the other night and said he was most proud of the fact that the people who have high incomes were getting more. He stood up for his response the other night and said that. He is quite proud that people in the top three per cent are getting even more protection than they had before because of the abolition of this tax. It defies my being able to describe it without obscenities that, because the top three per cent of estates are being taxed, he says that's too much. He abolishes that even. That takes some kind ofchutzpah, and the Treasurer has it. The Treasurer cries about the hardship of those people who—

[8:15]

Mr. Bradley: Party of privilege, that's the Tories.

Mr. Laughren:—receive the benefits of the state—or gifts, I suppose he would use the same argument—but doesn't talk about the exemptions. That's what I call deception.

He talks about the hardships without saying the exemptions look after any of those possible hardship cases where a family business is passed on or a family farm is passed on. The Treasurer doesn't tell us that when he stands up, does he? No. He's hoping that people will either forget or won't pursue it with him.

Of course, if this Treasurer has one ace in the hole when it comes to introducing regressive legislation or abolishing progressive legislation, it's the Liberal Party in this province. They can always be counted to support anything regressive and to aid in abolishing anything progressive.

Mr. Kerrio: Thank God for sane people. Common sense will prevail.

Mr. Charlton: Mr. Speaker, I would like to rise and join my colleague, the member for Nickel Belt, in opposition to this bill, and take a slightly different tack to the withdrawal or the abolition of this tax.

My colleague in his comments mentioned a number of times the negative, regressive nature of the Treasurer's budget. I would like to go into that a little bit further in relation to this bill.

This bill, along with the succession duties bill and the repeal of those two taxes, is costing this government tax dollars. We saw a whole list of other taxes increased, every one of which affected the people at the bottom of the scale most severely, the people who could least afford it.

But with the repeal of this tax and the succession duties tax, we only see a benefit to those at the very top end of the scale, those who don't need any protection, those who have no financial problems, those who will smile more broadly because of the assistance as they walk to the bank. But all of the tax increases in the budget affected consumers from the top of the scale to the bottom of the scale and affected those consumers at the bottom end of the scale most severely.

The repeal of this tax and the repeal of the succession duties tax on Tuesday point very clearly to this government's attitude and this Treasurer's attitude; they point very clearly to their approach to the problems of average and low-income people in this province and the plight they face in being able to afford the ever-increasing tax burden.

Their own federal leader runs around this country telling people we need to put money back into the hands of consumers, yet everything they do is in contradiction to that. It makes it very difficult to believe a Tory now, or at any point, in terms of economic strategy.

Mr. Martel: Very well put.

Mr. Charlton: It's just not acceptable to debate—

Mr. Martel: With a head start.

Mr. Charlton:—this gift tax bill in isolation as has been said by the other participants in this debate. First of all, it's a companion bill to the succession duties tax and secondly, it's a part of this government's approach in the budget, an approach which is just not acceptable in this time of economic hardship. It's just not acceptable to the people of Ontario in terms of the kind of

economic leadership and economic assistance they need.

So with that, Mr. Speaker, I'll end what I have to say by emphasizing that the reason why we're opposing this bill and why we opposed the succession duties bill on Tuesday night is because of the regressive nature of what had to happen to replace those tax dollars in this budget.

Mr. Acting Speaker: Is there any other member who wishes to speak? If not, I will call upon the Treasurer.

Hon. F. S. Miller: Mr. Speaker, I have no comments.

The House divided on Hon. F. S. Miller's motion for second reading of Bill 48, which was approved on the following vote:

AYES

Belanger; Bernier; Birch; Blundy; Bradley; Brunelle; Campbell; Cunningham; Cureatz; Davis; Eaton; Elgie; Epp; Gaunt; Gregory; Hall; Havrot; Hennessy; Hodgson.

Johnson, J.; Kerr; Kerrio; Lane; Maeck; Mancini; McCaffrey; McCague; McGuigan; McNeil; Miller, F. S.; Miller, G. I.; Newman, B.; Newman, W.; Nixon; Norton; Parrott; Peterson.

Ramsay; Riddell; Rotenberg; Rowe; Roy; Ruston; Smith, G. E.; Snow; Sterling; Van Horne; Villeneuve; Walker; Watson; Welch; Williams; Wiseman; Worton.

NAYS

Charlton; Cooke; Davidson, M.; Davison, M. N.; Foulds; Gigantes; Isaacs; Johnston, R. F.; Laughren; MacDonald; Mackenzie; Makarchuk; Martel; Samis; Swart; Warner; Wildman; Young.

Ayes 54; nays 18.

Ordered for third reading.

[9:15]

THIRD READING

The House divided on Hon. F. S. Miller's motion for third reading of Bill 48, which was agreed to on the same vote.

ONTARIO LOAN ACT

Hon. F. S. Miller moved second reading of Bill 50, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Hon. F. S. Miller: Mr. Speaker, I'd be glad to make some comments on this bill. It is a routine annual bill but this year we've made some changes in the act that incorporate recommendations the public accounts committee suggested a year ago. That is there is

an expiry date for the borrowing of the funds authorized in this bill rather than an open date. I would say that really is the most important of the changes in the bill itself.

Mr. Peterson: We'll let the hockey fans empty out of the House. Mr. Speaker, I must say, just by way of preamble, I'm very disappointed, as a member of this Legislature, to have had to sit here for an hour tonight waiting for a bell on that last bill, just because a particular member happens to be a little cranky and subjects all the rest of us to that kind of thing.

I'm just a little tired of it. They take an hour and they go out and whip 18 members back into the House.

Mr. Martel: Mr. Speaker on a point of order: I believe the rules of the Legislature allow for divisions and an opportunity for members to be brought back in. As the government House leader well knows, and as the Liberal House leader knows, we calculated this bill would come in for a division approximately between 8:45 and 9 o'clock.

Mr. Nixon: Eight-thirty was the number I gave.

Mr. Martel: Well it might have been the number the member gave. He hasn't been known to be right before anyway.

I'd like to say, Mr. Speaker, that was what the whips were told and so, consequently, the members were advised of approximately the time they should return to the Legislature. I think the clown who just spoke, should withdraw his comments about my colleague.

Mr. Speaker: The member for London Centre has the floor on Bill 50.

Mr. Peterson: I say there's just a limit to how much this House has to put up with because of the petulance of one little particular member.

Mr. Speaker: Order!

Mr. Peterson: It's the kind of self-centredness that party collectively exhibits on—

Mr. Speaker: Bill 50, please.

Mr. Peterson: And even though there is the odd—

Interjections.

Mr. Speaker: If you have a contribution to make on Bill 50, I suggest you do it right now or I will recognize another member.

Mr. Peterson: I do have a contribution to make, Mr. Speaker but I was speaking to the member for Sudbury East's point of order, which you allowed in its totality.

Mr. Speaker: Do we have a member of the Legislature who would like to speak to second reading of Bill 50?

Mr. Foulds: A point of order.

Mr. Speaker: There is no point of order. There is nothing out of order.

Mr. Peterson: Well, on the point of order—

Mr. Speaker: There is nothing out of order.

Mr. Peterson: Then you should have ruled him out of order at the time.

Mr. Speaker: There is nothing out of order. He was responding to your ill-advised point of order.

Mr. Peterson: I wasn't speaking on a point of order; I was speaking on the debate, Mr. Speaker.

Mr. Speaker: No, you are not. If you don't proceed with it now, I will recognize another member.

Mr. Peterson: I am going to forthwith, immediately, Mr. Speaker.

I want to speak to Bill 50 which, as the honourable Treasurer has pointed out, is a routine bill. It is an annual bill; we face it every year and frequently it is passed over as another piece of housekeeping legislation, even though, interestingly enough, over the years some very interesting debates have transpired around this particular bill. I remind you that it was my colleague, the former member of the Liberal Party, who—

An hon. member: Former member?

Mr. Nixon: I may join up again.

Mr. Peterson: —brought to this House the government's intention of borrowing in German marks and forced the Treasurer of the day, one Charles McNaughton, to at least tell the House what he was doing in Germany and what he was planning on borrowing. He was warned subsequently against that.

I discussed this to some extent in my budget response, but interestingly enough, so far we have already lost something like \$28 million in exchange losses on that loan. That is just one example of the vicissitudes of borrowing in the foreign marketplace. Our exposure today is something, as I recall, over \$100 million for the province of Ontario if those loans had to be paid off today.

And that is not speaking about the massive Hydro debt. As I recall, Mr. Speaker, if that Hydro debt for which the province is responsible had to be paid back today, it would increase the province's exposure some \$924 million; close to another billion dollars in exchange losses, if one is playing in those kinds of marketplaces.

This bill is a little bit different because what it does is authorize the internal borrowing of funds. We are borrowing a maxi-

mum of \$1.6 billion. I am very happy to see the time limit on it this year; it is a progressive move. The Treasurer is responding to the advice and to the beseeching of the provincial auditor on this matter. But we are borrowing from the Canada Pension Plan, from the CMHC waste and control loans, and the teachers' superannuation fund.

Believe me, Mr. Speaker, this bill is fraught with difficulties—the procedure and the past behaviour of this government. We are quickly running out of time with this kind of borrowing practice. Five years from now the Treasurer will not be able to bring this kind of bill to the House because there will be no more money. He is going to be in a net cash-flow deficit position with those funds, at least with the Canada Pension Plan. He is going to be paying back more than he can borrow.

Every serious observer of this scene says we are necessarily headed to a very difficult situation. The former Treasurer acknowledged this on more than one occasion, but he never could do anything about it. He talked about increasing contribution rates on CPP, he alluded to the fact that we are going to face a financing crisis in the 1980s. I have tried within the limits of my powers of persuasion to convince this Treasurer that he, or whoever is the Treasurer in the 1980s, is facing a massive problem of financing in this province. As yet I have seen no evidence that he understands it, and if he does understand it, that he has done anything whatsoever about it. I find that quite alarming.

I would at least like to see the start of a public debate about the nature of the financing of this province sometime in the 1980s. The classic response is, "Well, we will wait for the response of the Haley commission." That was supposed to be out this month, as I recall, and now I gather it is going to be out next fall and we are not even sure about that. The Minister of Consumer and Commercial Relations told me today to the best of his knowledge it is probably coming out sometime in the fall. And this is in the wake of a lot of very serious people looking at this issue.

We have had the Confirantes report in Quebec which addressed itself to borrowing by the province as well as other aspects of the pension program. We have had various submissions to the federal government. Some governments are starting to address their minds seriously to this issue. What we are doing is putting ourselves progressively every year into a larger hole. In the 1975 budget, 6.9 per cent of our budget was in interest;

in 1976, 7.6 per cent; in 1977, eight per cent; in 1978, 8.8 per cent and in 1979, 9.2 per cent.

The only thing we know for sure about the budgeting practice of this province is that interest payments as a percentage of expenditures are necessarily growing year by year, and that necessarily, as it has this year and will next year and did last year, leads to higher taxation. And necessarily, as interest payments increase, the transfers to pay off our debt for money already borrowed increase. We know for a fact that transfers to the various other jurisdictions under the province of Ontario—to health care, to education or whatever—are necessarily going to be squeezed and necessarily occupy a smaller percentage of the overall budget. That is one of the reasons we are seeing the tremendous squeeze in social services, health care and many other services of this province, when the transfers are below the effective rate of increase in inflation. We are necessarily, as a result thereof, seeing cutbacks and a serious squeeze in many parts of this province.

I say very seriously one of the important reasons this is happening is that we are having to honour our debts of the past; obviously we cannot renege on them. What we have done in this generation of government—of the Davis-McKeough-White now Miller government—is to continue on this excessive path with no recognition of what is going to happen in the future.

Even though this bill is treated as a routine bill, it is far more important to the province and the people of this province than the two bills we have just discussed, the Gift Tax Repeal Act and the Succession Duty Repeal Act. It is more important to the future of this province than those two bills, even though those two bills invite far more interest and even though those bills incite the passions a little more and get a few people a little more cranky and a little more upset where people divide on philosophical grounds or whatever.

Mr. Foulds: I thought second reading was for debate. It's too bad the Treasurer didn't debate the last bill.

Mr. Peterson: Serious people are saying, "Look, we are going to have to address our minds to it." The Treasurer, as a long-term fiscal planner, is going to have to come up with some answers. I know he is new on the job. This is his first time. Just today I was looking at the debate we had a year ago with the former Treasurer, Darcy McKeough. I was prophetic. I say so with some degree of humility.

I said then, and I quote myself: "In our budget responses some six weeks ago, I predicted then the start of a demise and the decline of the Treasurer." Was I prophetic? I was prophetic.

Mr. Nixon: Where is he now?

Mr. Peterson: Everything we said then has proved subsequently to be true. The former Treasurer did understand, even though he did nothing about it, some of these problems. He could see the forces conspiring against him. He could see his predictions were not going to come true. He could see the money was not going to be there. He could see his dream of balancing the budget, part of the great Brampton charter, was going to be an impossibility. He could see his ridiculous attempt to increase OHIP premiums at that time was not going to wash with this Legislature. As a result, I have no doubt, he lost his personal clout in cabinet and he lost his own efficiency and ability to influence the course of events in this province—

Mr. Nixon: That is what is happening to the Minister of Transportation and Communications (Mr. Snow) right now.

Mr. Peterson: —because he was part of the creation of a series of events and numbers that overtook even him. We are looking to the new Treasurer—God bless him, he is a nice fellow—

Mr. Nixon: You are going too far.

Mr. Peterson: —to address seriously some of these issues of long-term financing, because when one extrapolates the trends and when one looks at them, one knows we are headed for some trouble.

This Treasurer has adopted some of the techniques of the former Treasurer. He is confusing net cash requirements with deficit. He has successfully confused the majority of the editorial writers in this province. They all say, "A wonderful fellow, Frank Miller, the deficit is \$1,153,000,000." But that's not true; the deficit is \$1.7 billion. There has been a \$38 million improvement in the budgetary process of this province this year. [9:30]

He is using the same devices as before, fiddling with the below-the-line transactions, the non-budgetary transactions. He is taking them into current income to obfuscate the amount of the current account deficit—mortgages he is going to sell off, more assets of the province of \$100 million, and of course patriating his \$105 million investment in Syncrude.

Mr. Nixon: Burning the furniture to heat the house.

Mr. Peterson: All of those are fine. I'm not against that. But what I am saying is that there are limits to that. Last year when I was asked the question, "Will McKeough balance the budget by 1981?" I said there is only one way he could do it the way he runs the province, and that is to sell off the furniture. He could sell off the Robarts library; he could sell off this building if anybody would buy it. There are a few other assets.

One of the things the Treasurer should start thinking about is selling off some of that \$600 million or \$700 million worth of land the government acquired which is sitting growing poplar trees and lying fallow. That was a classically terrible mistake of this government. All of those nonproductive assets are accumulating interest on an annual basis, and that is part of the legacy of debt we have inherited today.

Back to my earlier suggestion: The Treasurer said that our net cash requirements are \$1,153,000,000; I say the real deficit is \$1.7 billion. But if that is the case, if he is right, why is he, with a net cash requirement of \$1,153,000,000, borrowing over \$1.5 billion? In fact, he is borrowing \$1,544,000,000 this year. He is borrowing much more than his net cash requirements. That has to trigger something in even the most average of minds. Some of my friends in the NDP may understand it when I put it in those terms.

Why is he borrowing \$300 million, \$400 million or \$500 million more than his net cash requirements? What is happening is that he is trying to make up for another way that he obfuscated the figures last year by retiring some of the treasury bills from the \$195 million worth of treasury bills he took out saying at that point with a firm commitment, we would go to the marketplace for no more public borrowing.

After that he ran into a revenue squeeze and because of 12 successive quarters of irresponsible and wrong predictions he had to go to the public market and increase his treasury bill offering on a weekly basis to bring in another \$195 million worth of revenue that year. And now he is going to try to retire them. That was after a firm commitment from the Treasurer of that day that he would go to the marketplace for no more public money.

This Treasurer tried to obfuscate that a little. He said no more public "debenture" borrowing. He snuck that little word into his statement. But in fact they violated a tenet that was held very close to their hearts. They were so proud of the fact that since 1975 they had not gone to the public marketplace for

any more money; but they did last year. The Treasurer is going to have to speak to that I am sure, in a moment.

This is an alarming trend. We are seeing the biggest single increased expenditure in the budget this year is 12.5 per cent for debt servicing; it is now close to \$1.4 billion a year, adding up to about \$3.8 million a year. We know for a fact that is going to be up next year. Probably in the order of 10 per cent of the budget next year will go to interest. We know that now. And probably that is going to run in the order of \$4.5 million a day as opposed to \$3.8 million this year, to pay off that interest of the past.

We can predict also with some certainty an increase in taxation. There is no other way. This government is not prepared to cut back in expenditures. It hasn't done so in the past; it has built up a legacy of debt in the past that we have to honour. We know for certain with this government, that necessarily, year by year, we are going to have an increase in taxation.

One of the problems is that this money has been available to borrow. Probably the biggest corruption that came about in provincial financing in most of the provinces, not all of them, in different degrees—Quebec has been far more responsible in handling its provincial pension fund borrowings than Ontario—the fact that this money was available at all, in my view, has created a major distortion for which we are going to pay a price in the future.

John Robarts in those days could see a big pot of money would be available to the province to borrow, and so he borrowed it. And part of the preconditions of his going into the Canada Pension Plan—because it is a provincial jurisdiction under the BNA Act—was that the provinces would be able to borrow that money back.

This year we're going to borrow about \$960 million from CPP. We're going to have to pay them back about \$600 million or \$700 million on money we've already borrowed. We know, and we've already established in this House, we're going to go into a negative cash-flow position in about 1982 or 1983.

But all this big pot of money was available—this big pot from the teachers' superannuation fund—for which they paid less than market interest rates. Still, out of \$2.5 billion they owe the teachers' superannuation fund, about 28 per cent of that portfolio is in six per cent money, paying the teachers far below what market rates would get at this particular time.

Had they allowed that money to be used in the marketplace; had they treated it as

responsible fund managers would, the unfunded liability in that teachers' superannuation fund of about \$1.5 billion to \$6 billion, according to the 1977 actuarial notes—that's not the real actuarial update; the last real evaluation was in 1975, although they have looked at the fund in 1976 and 1977, under pressure from some of the members of this House.

Still, had that money stayed in that fund and been used in the private marketplace, there would be much less of an unfunded liability and the taxpayers of this province would not have to cough up as much money in the future as they are going to have to now.

Those funds have created the great distortion. I have advanced before in this House the availability-fed demand thesis. They looked at how much money was available to borrow; they borrowed; and they spent it. Now, as we head into the 1980s, that money is not going to be available. I have no idea what the Treasurer of this province has planned to finance the deficit that he's become so accustomed to running on an annual basis.

Even the Ontario Economic Council, a responsible body in most respects, has advanced the same availability-fed demand thesis, saying there is no incentive for the Treasurer of this province to balance the budget as long as he can borrow all this money and without having to go to the marketplace.

But it does say this, because it has a long-term, responsible view. Knowing the shortage of capital in the markets of this country, heading into the 1980s, and knowing the massive amounts of money we're going to have to spend to keep our capital infrastructure built up in this country, it says this:

"As the level of government investment gradually accelerates, led by energy and resource development, the need will arise to redirect a larger percentage of domestic savings from the government to the private sector and from short-term investment instruments to long-term investment instruments more suitable for financing long-term capital investments."

"An increased flow of private savings from the public to the private sector could be encouraged in several ways. The largest flow to the government sector occurs through the medium of the Canada Pension Plan. Consideration should be given to depositing at least a portion of the net contributions to a special trustee fund in each province to be available to the private sector on a competitive bid basis. To ensure the maximum

availability of such funds to finance business capital investment, it might be desirable to limit the use of such funds to equities or debts with terms of 10 years or longer."

What they are recognizing very clearly is that we are going to have to liberate some of these moneys we have spent in the public purse in order to build the kinds of projects we need in this country.

As I alluded to earlier, Quebec has been far more successful, through the *caisse de depots* system. They have taken about 30 per cent of the eligible moneys they could have borrowed and spent on current consumption or to make up for the deficit, and spent it on productive capital, investing in banks, investing in business and building a capital infrastructure for that province.

Had we done that, there are studies available that say had we built the capital infrastructure, had we invested in companies and plants, machinery and capital here, our unemployment rate would be less, there would be more real income. All the economic indicators and some of the problems we are facing in this province would be much less than they are today.

They're some of the examples of the short-term greed of this province. And 10 years ago, that was the problem. It was almost like putting a bottle of whisky in front of an alcoholic, when you put those funds in front of this government, because they spent every single penny with no regard to the future. And they're doing it again this year.

Mr. Kerrio: You spend every penny, Frank.

Mr. Peterson: Frankly, it disturbs me very greatly to have to vote for this. I would vote against it, except that it would cause an election and that is the only conceivable reason for not voting against it. That is another different and separate issue. But it bothers me very greatly to see how this government has treated this issue. We have questioned it in the House. My friends have questioned it in the House. We have questioned this Treasurer and other Treasurers. But I have yet to see either a recognition of the seriousness of the problem or any kind of feeling about what they're going to do about it beyond saying, "Yes, it's a problem, and we've got to think of something to do sometime."

If I could do anything, if I could impress upon this Treasurer just one or two things, I would have to tell him about the seriousness of the pension crisis from a macro-economic sense. I would talk of the serious distortions that are brought into this province and that he has to address his mind to these

long-run problems and the sooner he does it the better.

Every solution to this problem is unattractive. I cannot, for the life of me, devise a simple solution. I can't see anything that is going to be easy. But if we don't start now and ease our way into it, then 10 years from now it's going to be apocalyptic. It's going to be almost impossible to handle, and there's not going to be anything we can do short of some major kinds of defaults.

And it's not as if the evidence is beyond us. Good Lord, New York City went into default—for a myriad of reasons obviously, but principally because they had become overextended in their pension funds. They created obligations they couldn't honour—subsidizing the middle classes. It wasn't because it was a welfare situation. It was because of the middle-class ripoff and because they created obligations they just couldn't sustain.

Mr. Laughren: This is going to be a new slogan for the Liberal Party—a middle-class ripoff.

Mr. Peterson: We are heading in that direction, and it's coming probably sooner than we like. It's too bad we got into the habits that we're in, but had the Treasurer been subjected to the disciplines of the marketplace 10 years ago, if he had to go out and compete against General Motors and Inco and all the other sort of people wanting cash in the marketplace, pay competitive rates, then I suggest that this government would have been substantially more responsible than they have been heretofore. It was like giving whisky to an alcoholic. It was like giving catnip to a cat. We have seen just irresponsible behaviour with this money.

Mr. Mancini: Why don't you resign?

Mr. Peterson: It saddens me a great deal. I have suggested some of the solutions, all of which I said would be difficult.

Mr. Kerrio: Do the honourable thing, Frank.

Mr. Peterson: But I say to the Treasurer very seriously, if he comes back to this House recognizing a comprehension of the problem and some solutions to this problem, I'm sure he would get the full co-operation of all the responsible members of this House.

Mr. Kerrio: That leaves out the NDP.

Mr. Peterson: It better be done sooner rather than later.

Mr. Mancini: They're not responsible anyway.

Mr. Peterson: It is with a heavy heart and with a great deal of sadness that we support this bill. I think it's far more serious than housekeeping.

Mr. Hennessy: A heavy head.

Mr. Peterson: I think it's far more serious to those who come after us and many, many of the pieces of legislation that come through this House. I say only I am looking for some recognition of the problem by the Treasurer and, hopefully, some solutions.

Mr. Laughren: I notice the Treasurer is keeping notes. It might even mean that he is going to lower himself to take part in the debate at the conclusion of the opposition remarks.

I must say that it does take courage for a Liberal to harangue a Conservative about government deficits. Of course, if one is an Ontario Liberal rather than a federal Liberal I guess it comes a little easier.

[9:45]

Mr. Kerrio: You socialists know what deficits are all about. Wherever you form a government you have the biggest in the world.

Mr. McClellan: That's fortunately not true.

Mr. Mancini: Fortunately, you don't form governments in too many places.

Mr. Kerrio: Just go over to Britain and see.

Mr. Laughren: I'm trying to be non-provocative, Mr. Speaker. I'll continue.

The New Democrats have always looked at deficit financing by governments in a very serious way. We've always said you can draw a comparison between running a government and running a home, a household, a family, in that the amount of debt must be in relation to the ability to pay. Just as people have higher mortgages on their homes now than they did 20 years ago, so are their incomes substantially higher.

It's true, of course, that the provincial debt, as a ratio to the provincial budget, has indeed gone up in the last four years from something under seven per cent to a little over nine per cent. That is a substantial increase when we're talking about that kind of money.

On the other hand, the province of Ontario, by incurring its large debt, has undoubtedly built up a fairly substantial reservoir of socially useful assets.

Mr. Peterson: Vacant land.

Mr. Laughren: I'm talking about schools, and I'm talking about hospitals and roads; that is a responsible use of debt.

The member talks about land. We have always believed that there should be land-banking in the province of Ontario. There are funds available from the federal government to the provinces, and the provincial government can co-operate with the municipalities to have land-banking. We see that as a responsible use of deficit financing as well. It's building for the future; that's the kind of thing we would endorse.

What has happened, of course, is that while the public sector has engaged in a great deal of deficit financing, the Treasurer should take a look at the behaviour of the private sector. Whereas we have increased substantially the public assets in Ontario, and we have some of the finest in Canada—

Interjections.

Mr. Laughren: I'm setting you up. Just wait for it.

Hon. Mr. Davis: I'm glad to see you're smiling.

Mr. Hennessy: A hit man.

Mr. Laughren: I want to tell the Premier it was the Treasurer who made me cranky by an arrogant display not even bothering to debate what we regard as a substantial bill.

Hon. F. S. Miller: We debated it last night.

Mr. Laughren: We did not debate it last night. There is no rule of the House that the Treasurer has to debate; I understand, that's fine. He can sit there and smirk while a substantial bill goes through if he likes.

Mr. Kerrio: Just like your responsibility when it comes time to vote tonight; you sat out in the hall like a poisoned pup.

Mr. Hennessy: That's it; give it to him.

Mr. Mancini: You were pouting out in the hall.

Mr. Laughren: What I started to say was that while the province of Ontario has invested substantially in public assets, the Treasurer and his predecessors have also presided over the private sector, which has not been responsible about reinvesting in this province. The industrial machine in Ontario has been allowed to run down. It's not dead yet, but it has run down substantially.

It bothered me a great deal to see the Treasurer and the Minister of Industry and Tourism (Mr. Grossman) over in England trying to sell off more of Ontario—

Interjection.

Mr. Laughren: —and the Premier is trying to sell us to Japan; and so it goes.

Mr. Hennessy: You're trying to sell us to Russia.

Mr. Kerrio: They were over there studying Margaret Thatcher. That's what they were doing.

Mr. Laughren: Now the minister is going to Japan to further exacerbate the problem. So there has been an irresponsible component in the whole supervision of Ontario's Treasurers too, in that they have presided over the deindustrialization of Ontario. That's not even my language, that's the language of the people of the Science Council of Canada who are saying that about this province. We are the industrial heart of this country and we have an obligation that goes beyond the borders of Ontario.

Perhaps the Treasurer could share with us this evening some of his plans as to how he intends to start the rebuilding process, because surely the debt of the province of Ontario can be used partly to do that. Whether or not he is looking at the province in the long term and seeing how we rebuild it rather than just sell it—we can always sell off our assets, I guess, but that's a pretty sad way to rebuild the Ontario economy.

The Treasurer and his colleagues play the odd game, too, as to how they're going to reduce the debt in Ontario. In the budget speech, which I could quote if I had it in front of me, the Treasurer talked about financing the Employment Development Fund through the sale of the province's share in Syncrude. He made that statement on budget night. A couple of weeks later the Minister of Energy (Mr. Auld) stood up with another plan for the use of the Syncrude share.

Mr. Peterson: And they included a capital asset, which is nonsense.

Mr. Laughren: If it is the same, perhaps when the Treasurer responds he could tell us what that is. As a matter of fact, the Leader of the Opposition (Mr. S. Smith) rose on a point of something or other that day and made the point that they were selling the same asset twice to do two different things. That is rather perplexing. Perhaps the Treasurer could explain what he intends to do.

The Treasurer and the official opposition, particularly the official opposition, talk a lot about how we pay for debt, what debt costs us, how many millions of dollars a day and how the people have to pay for it through higher taxes.

Mr. Peterson: It's real catchy.

Mr. Laughren: There is another kind of debt that we in this province are paying for, and paying a very high price for, that is the debt we pay out to non-residents every year. It is a substantial sum of money.

Mr. Peterson: Of course you're right.

Mr. Laughren: That bothers us a great deal when we see them trying to increase that problem by selling more of Ontario to the Japanese, the British, the Americans and so forth. That doesn't make any sense at all. It is going to make the problem worse. That part of our debt has to be looked at in a much more careful way, because that is very serious matter.

There is an investment house in Toronto called Burns Fry. Perhaps other members in this chamber would be more familiar with it than I. They published a document last year in which they painted a frightening picture of what is ahead for us on our balance of payments over the next 10 or 15 years. That really is a terrifying picture if those figures come true—and some of them are so incredible it is hard to believe they could come true.

On the other hand, when one looks at how our interest and dividends payment debt is going up every year—and going up dramatically, perhaps Burns Fry knows something we don't—that is going to have a substantial effect on the standard of living in Ontario, a much more substantial effect than the interest on Ontario's debt. That is something we simply must address ourselves to. They are talking federal figures, but one cannot talk federal figures on the economy of this country without zeroing in on Ontario. This is where the action is, this is where the bulk of our industrial production is. We have simply got to take a federal view of our balance of payments problems.

The Treasurer has to involve himself more in those debates with the federal government because it really is serious. We are very worried about the emphasis on stimulation of exports rather than import replacement. We think the government is fundamentally wrong in concentrating on export stimulation. We are not saying there shouldn't be export stimulation, I want to make that perfectly clear.

Hon. Mr. Davis: We have to have both.

Mr. Laughren: Of course we have to have both. What is happening is that the Treasurer and the Minister of Industry and Tourism are centering on and emphasizing export stimulation. That is exactly what they are doing. They can't do both, because the two

programs require a different set of policies and it is not happening.

If the government thinks that by inviting the Japanese and Americans to come and set up their operations here, if it thinks that is going to solve our problem on our balance of payments, then it is wrong. It won't solve the problem, because historically the branch plants that are here have not cracked the international market and have not cracked the export markets because that is not why they are here. They are here to cater to the domestic market.

Hon. Mr. Davis: But if the Japanese establish car plants here and replace the imports that now come from Japan—it is important to the economy.

Mr. Laughren: Of course. I would suggest to the Premier—and I am glad he interjected—that when he is talking to Japanese businessmen he should say to them: If you are going to come here, you must realize we give up something when you come here and own a portion of this province.” I think the Premier would agree that with increased foreign ownership we give up something. There is a return in terms of import replacement, which the Premier agrees with, but there is something else. The long run costs of foreign ownership are such that we should be very, wary. Studies have been done which show that the long-run benefits of foreign ownership are a delusion. This is not the time to do it, but I can prove that to the Premier.

I would hope when the Premier talked to those Japanese businessmen he said to them: “If you're going to come here and locate in this province and own a share of Ontario, when you ship your cars in here there's to be a reciprocal agreement on where replacement parts for those imported Japanese cars are produced.” That's only fair, to demand in return for selling them part of Ontario that we get a return on producing auto parts here. We have a serious deficit on auto parts; I know the Premier knows that.

Hon. Mr. Davis: We suggest two things: they have the parts made here and also export them for the same vehicles in Japan.

Mr. Laughren: I wish the Premier would stay around and take part at the end of the debate. What I want him to say is that we don't have to have Japanese auto parts manufacturers do it, we can do it with Canadian parts manufacturers; that's what he is saying?

Hon. Mr. Davis: I said that.

Mr. Laughren: No, the Premier was talking about Japanese auto parts manufacturers.

Hon. Mr. Davis: I was saying the Canadian auto parts people make the parts over here and export them.

Mr. Laughren: I find it hard to believe that we're on the same wavelength.

Hon. Mr. Davis: The member should never give up on me.

Mr. Laughren: We feel very strongly we can produce our auto parts here.

Hon. Mr. Davis: You should have come up to the meeting.

Mr. Laughren: I wasn't invited. Perhaps they knew they couldn't bludgeon me over our environmental standards and our minimum wage laws.

There will be other times to debate the whole problem of the Ontario economy, but I'm serious when I say the Treasurer, the Minister of Industry and Tourism and the Premier are on the wrong track if they're trying to sell off more of Ontario. That will not solve our problems; it will make the problems worse and the Treasurer and the Premier should understand that.

I'll conclude, but I want to refer to the fact that the member for London Centre (Mr. Peterson) talked about this bill being more important than the succession duty and gift tax bill. It's rather silly to compare this bill with the succession duty bill. This is not blatant, rank, class legislation, despite his reference to the middle-class ripoff. I think that's going to be the next Liberal campaign slogan: “Stop the middle class ripoff.” I can see it now. It fits so beautifully in with Liberal philosophy it's irresistible for them.

Mr. Van Horne: What do you know about Liberal philosophy?

Mr. Laughren: Well, I've listened to it for—

Mr. Van Horne: Come on, elucidate.

Mr. Laughren: I'm glad the Premier is here. When Premier Levesque was here a couple of years ago for a reception—we had a reception in the Lieutenant Governor's suite—the Premier brought him around and he was introducing him to members. He introduced him to one member and Premier Levesque said: “Oh, he's NDP.” The Premier said: “No, no, you've got the wrong philosophy, he's a Liberal.” Premier Levesque said: “If he's a Liberal he can't have a philosophy.”

Perhaps the Premier recalls that. I was standing nearby and I heard it.

Hon. Mr. Davis: That's not true. He was talking about the New Democratic Party.

Mr. Laughren: No, no. As a matter of fact that particular member is in the chamber tonight; I wouldn't think of identifying him but he's in the chamber tonight.

Mr. Acting Speaker: Now that the member for Nickel Belt has rambled so much would he please return to Bill 50?

Mr. Laughren: Yes, I will. I should tell one very short anecdote, Mr. Speaker, just for you.

Mr. Acting Speaker: Can we tie it in with the credit of the province?

Mr. Laughren: Yes, because I think I am a credit to the province, even though I wasn't born here. I was born in the province of Quebec. I was born in the Ottawa valley north of Ottawa, which is very staunch Orange lodge country. When Premier Levesque came around and the Premier introduced him to me, I said: "Yes, I'm from your province." "Oh," he said, "where are you from?" I said: "Shawville." "Oh," he said, "I don't blame you for leaving."

Thank you, Mr. Speaker.

[10:00]

Mr. Acting Speaker: We will accept that. Is there any other member who wishes to speak to Bill 50? Mr. Treasurer.

Hon. F. S. Miller: Mr. Speaker, I will make some brief comments. The debate tonight had certain overtones, and properly so I suppose, of the budget debates we had recently. I would like to assure both of my critics that while we may not always agree on the way to solve the financial problems of the province, I do take my position very seriously and I am very concerned about the problems.

Mr. Lawlor: You talk about the problems, but what are you going to do about them?

Hon. F. S. Miller: I think I have talked about them at length in my budget, and I think most people in Ontario who have reviewed that budget have found it reasonably satisfactory.

Mr. Van Horne: They did for the first day, until they realized how they were getting hammered.

Hon. F. S. Miller: I have to say to the honourable member, never did I try to confuse cash requirements and a balanced budget. I have been quite careful in the terminology I use and I am quite keenly aware of the difference in the two meanings. Of course the eventual desire is to have a balanced budget. I am working first towards minimizing the cash requirements, as I would in any business venture, trying to

maximize our use of cash and of assets in the province. I don't see anything wrong with that.

The member was talking about the dollars in this particular Loan Act, as we would call it in its short term title, not necessarily coinciding with our cash requirements. That's true, but the member should remember the time period does not coincide either. He should remember we do bring forward some unused authority from the previous year which is used during this interregnum, if he wants to call it that, this period between the end of the fiscal year and the passage of this particular bill.

Under the old act, since there was no termination date, there was no particular worry about that hangover. We had, for example, some authority to go ahead and take up the Canada Pension Plan borrowings as they came due each month. We had some \$534 million, if my figures are correct, left over from last year's authorization when this fiscal year began. We are currently using it. This bill runs until September 30, 1980, if I am not wrong; and of course the number of dollars, the \$1.6 billion or thereabouts, is authorized here.

Mr. Peterson: You are borrowing \$1,554,000,000.

Hon. F. S. Miller: Yes, \$1,153,000,000 I think, is the cash requirement.

The reason for the difference, of course, and I can document where it goes, is to increase our liquidity. I think the honourable member will admit we have been winding down the amount of cash kept on hand to meet our daily bills and we are going to increase it slightly. We are going to pay off some \$60 million of public maturity, of debenture debt. We are going to use about \$195 million in the course of that period to reduce the Treasury bill, and I think he referred to that. There are other non-public retirements of about \$26 million. We use about \$427 million of that for purposes other than the moneys needed to operate the province.

This year, I believe for the first time, the Ontario Municipal Employees Retirement System will not be called upon as a source of money.

Members have all the data on our debt in the budget; I don't think I need to review that, except to say that as a percentage of provincial income the cash requirements have actually dropped somewhat dramatically over the years. I look back into Mr. Frost's years, the years when many of us thought Ontario had its heyday in terms of the growth of the

province, the apparent liquidity of the province, the state of health and so on, and I think members will find that in those years we were actually borrowing a greater percentage of our annual cash income than we are today.

The honourable member for Nickel Belt, with whom I don't always agree, pointed out quite properly that one's debt should or can have some relationship to one's income. I think that is one of the key points.

Although I am an advocate of a balanced budget, I think a good argument can be made for the proposition that capital goods or capital assets produced in one year in some cases should be shared by taxpayers in future years, rather than being paid off completely in the one year.

I looked across the table, on page six of I think budget paper A, which showed capital investments versus financing from borrowing in the years 1972 right through to 1977. In all of those years there was only one—the 1975-76 fiscal year—when the borrowings actually matched or very slightly exceeded, it is hard to tell from the bar chart, the investments in capital in the province. In that particular year we had \$1.48 billion worth of capital investments and we financed \$1.092 billion from borrowings and \$388 million from revenues.

Pardon me, but I am suffering from a cold tonight, so if I sound a bit nasal you will have to get used to me.

I think it is important—

Mr. Peterson: Sorry, but this year the Treasurer is borrowing more than he is spending on capital investments. There is just no way that \$200 million in the Employment Development Fund is for capital investments.

Hon. F. S. Miller: Oh, that is a point I want to get into. The member for Nickel Belt (Mr. Laughren) said that the Minister of Energy and I had used the same dollars twice. I would like to point out that the \$140 million we talked about that came from the sale of Syncrude, which we said in the budget would be used for the Employment Development Fund, was the amount Treasury recovered from the sale of Syncrude. The total sale was in excess of \$160 million. This explains the apparent double counting of the money.

What Treasury got back from the sale of Syncrude was Ontario's original investment, around \$105 million, plus the interest it has cost the Treasury in the meantime, which came to about \$143 million. The difference was allowed to remain in the hands of the

Ontario Energy Corporation for investment in energy-related projects. So they kept \$23 million of that money—I think that was the exact figure. We got about \$140 million. So neither of us is double counting any dollars in that.

Mr. Laughren: I'd never play the shell game with you.

Hon. F. S. Miller: I know that. I only say that is the way we counted it.

I have to say to the member for Nickel Belt that he and I share one very real and genuine feeling, and that is we do want to see Canadian industry owned by Canadians.

Mr. Laughren: The minister is going about it in a funny way.

Hon. F. S. Miller: One has to recognize that in today's day and age, as technology requires larger and larger corporations, it is very difficult to have large corporations like automobile companies, steel companies or petrochemical companies owned within one nation. I guess one of the better alternatives is to have those corporations at least registered in Canada with shares available to Canadians to purchase on the market. So Ford Motor Company of Canada for example at least is an entity in which Canadians can buy shares.

Mr. Laughren: You are using the EDF in the wrong way.

Hon. F. S. Miller: Interestingly enough, the very first project that was mentioned today by the Minister of Industry and Tourism, for Smiths Falls, where \$450,000 was granted to a company—

Mr. Laughren: A branch plant.

Hon. F. S. Miller: Yes.

Mr. Nixon: It's good stuff, Frank. Right from the horse's mouth.

Hon. Mr. Parrott: You are reading the wrong budget.

Hon. F. S. Miller: I probably am.

Mr. Nixon: I know there was some reason he kept the member for Oxford around.

Hon. Mr. Parrott: At least I feel useful.

Mr. Nixon: We will give the Treasurer a minute to read it.

Hon. F. S. Miller: Now I am blushing.

Mr. Laughren: Let the record show it.

Hon. F. S. Miller: The grant today not only created roughly 300 jobs in Smiths Falls in an area where we badly needed them, but will give Canada about \$100 million of import replacement. I think that was one of the objectives we spelled out.

I want to say that while obviously it is premature to announce other decisions until they are totally finalized, I think the honourable member will discover we are getting some interesting Canadian-based requests. Sure there are going to be American-based requests, but we are getting some Canadian-based ones, Canadian companies that in fact are selling into export markets as well as filling the home market. Believe it or not, one is filling the very criterion the honourable member mentioned a few moments ago of sending Canadian parts to Japan. It is really very interesting to see a Canadian company able to do that. We hope some of these will be finalized soon and we can share them with the members as soon as the decisions are made. We are encouraged by some of these things.

Mr. Laughren: You're spreading it around too thinly. You aren't rebuilding any sectors.

Hon. F. S. Miller: I'll tell the member what we're doing. I am not trying to spread it around too thinly with my colleagues, what we are trying to find out in each of these negotiations—and this is why a formula doesn't necessarily work—we are trying to determine the minimum number of government dollars, in the best possible form, that will cause a decision to be made to locate in our province.

Because one company gets 10 per cent doesn't mean all companies should get 10 per cent. It may take only two or three per cent to trigger the difference in some instances; or it may be considerably more with others. It may take a loan guarantee with one; it may take a cash grant with another. That has already become abundantly clear in the discussions we have had with the first ones.

Mr. Speaker, I would like at this point to stop my discussion. I think we can have philosophical arguments later on. I ask that this bill receive its second reading.

Motion agreed to.

Third reading also agreed to on motion.

FINANCIAL ADMINISTRATION AMENDMENT ACT

Hon. F. S. Miller moved second reading of Bill 51, An Act to amend the Financial Administration Act.

Hon. F. S. Miller: The Financial Administration Act, as I am sure my honourable colleagues in the two other parties know, is perhaps one of the major pieces of legislation under which the Ministry of Treasury and

Economics operates. There are certain amendments in this particular bill aimed mostly at clearing up housekeeping problems.

There is one I think deserves particular attention. In section 3 of the bill we talk about increasing from \$50 million to \$250 million the amount of money which the Treasurer, with the approval of the Lieutenant Governor, may borrow by way of temporary bank loans without it being charged to the Loan Act.

The only thing I point out to the honourable members in this connection is that the cash flow of the province is now some \$27 billion a year. This then represents less than one per cent of the cash flow. We believe this is required for what you might call overdraft privileges, Mr. Speaker, the overdraft privileges required to make sure you do have chequing abilities over weekends, for short terms. In the one case under the Loan Act, if we have an overdraft of \$10 million five times, as members know it counts as a \$50 million charge against the Loan Act.

This act was set up with this provision so we didn't have that kind of short-term utilization charged against the Loan Act. I would suggest it is in order. We have that line of credit already established with the banks. We have \$50 million at each of the five chartered banks.

[10:15]

Mr. Peterson. They have never looked at your books.

Mr. Mancini: They are afraid you'll tax them more if they don't lend you money.

Hon. F. S. Miller: I suspect that if I signed the notes tomorrow we could get it, and I'm quite willing to share it with the member. It would take them a week or two to catch us too.

Mr. Peterson: You run down with your little book every morning, do you?

Hon. F. S. Miller: I do this account balance stuff.

We also have a section in the act that is allowing interest rates to be in excess of five per cent. I think one would agree the time has come for us to face that.

Mr. Peterson: We certainly don't plan to vote against this bill.

I understand the Treasurer's reasoning for section 3. It is probably quite reasonable and I will support it; but in other ways I do so somewhat reluctantly.

Mr. Laughren: I would hope so.

Mr. Peterson: The more disciplines we have on this government the better it functions. As I said before, when the Treasurer

saw the availability of all those pension funds he spent them, he runs everything to the limit.

I recognize he needs flexibility, but I have more faith when I see some responsibility, or more responsibility than the Treasurer has demonstrated, at least in my judgement in the handling of these funds in the past.

Like this little sneaky move into another \$195 million worth of treasury bills last year; clearly a violation of what the previous Treasurer said. The government obviously looked around for money and said, "There is a place we can cough up \$195 million."

I recognize clearly it was done before the member for Muskoka became Treasurer; I recognize clearly it's something he had to deal with in this budget and I respect him for doing it. But it took a lot of pressure on a lot of guys on Bay Street, putting the wood to them, saying, "You must pick up your weekly allotment of treasury bills." You know the way the system works.

Mr. Laughren: Make him name one.

Mr. Peterson: Everybody bids on them, hoping they won't get them. They want to look credible, so they can't put in a ridiculous kind of bid; they just put in a little bid hoping someone else will take them so they don't look silly.

The point is it was another little way to raise \$195 million, quietly and without announcement, until people figured out what the government was doing.

That's why short-term provisions, increasing a line of credit, can become a long-term line if one isn't careful; particularly if one has good credit, and the taxpayers of this province still have reasonably good credit. It is a bottomless well, really if the government gets in trouble it just increases the tax rates.

I can see so-called temporary lines turning into permanent lines or turning into long-term debts; in the same way, in a sense, it happened with the treasury bills, although the government is paying that off this year; and the same way it has almost become with the pension funds available to the government.

I have to put that concern on the record. I hope the Treasurer uses that extra \$200 million for the purposes for which it was intended, as a short-term line for overdrafts, for special contingency situations, and that it does not turn into a long-term line.

Had the government had the power last year to borrow this kind of money I am quite confident the Treasurer of the day, not being the member for Muskoka, would have said: "There's a way we can get another couple of hundred million dollars, because our revenue projections were off and no one will

really know." Who really knows if the government is borrowing an extra couple of hundred million dollars at any given time? He would have obscured, at that time, the real debt position of the province.

That is the danger, and I know this Treasurer knows that danger. I recognize that when he has—I accept his number—a \$27 billion cash flow, relatively speaking this is not a lot of flexibility in terms of assisting with his banking, and obviously he doesn't want to run overdraft interest if he doesn't have to do it.

I understand all that, and that's why I will certainly vote for it, but with that strong reservation that I think has to be put into the record.

Mr. Laughren: Mr. Speaker, I was glad the Treasurer singled out the section of the bill that raises the limits on borrowing from \$50 million to \$250 million. I did want to assure the official opposition that if they want to vote against this because of the irresponsible level of borrowing which they talk about so often, we would be quite happy to support the government. They don't need to worry about an election. We will not have an election over this particular issue.

At any rate, I just wanted to make the Liberals feel at ease so they could really stand on their principles on this particular bill and vote against it without worrying about the dire consequences of a provincial election in the spring of 1979. They can return the favour to me some other time.

Interjections.

Mr. Laughren: The other part of the bill I found rather interesting—and since we won't be sending this to committee, I assume, I just wanted to mention it briefly—where they take out the rate of five per cent per annum of money that's owing to the crown. I'd be interested in knowing a little more about that. I'm a little vague on that.

I do not understand, quite frankly, who it is that this applies to. I'm sure that we don't want to subsidize creditors to the crown; those are creditors to all of us. I'm not particularly interested in leaving it at five per cent, but I'd like to know exactly who these people are who have been getting away with five per cent interest rate, owing to the crown. They'd be crazy to pay it off. It would be better to borrow money and leave the debt stand at five per cent interest rate.

Perhaps the Treasurer, when he responds, could tell us who these lucky folk are who have been getting a five per cent interest rate for all these years. Perhaps there are

others who owe the crown money and are getting away with five per cent as well. I don't know whether this is an isolated example or whether it runs throughout the Treasurer's administration.

But, basically, we do seriously regard this as a housekeeping bill and I'm always very jumpy about saying any bill is housekeeping because you know I know, Mr. Speaker, that the Treasurer plays the shell game without a pea under any of the shells. We always are very careful before classifying any bill as being simply housekeeping, because it could be used to slip a lot of things through. I'm sure the Treasurer and some of his colleagues would call the abolishment of the Succession Duties Act a housekeeping bill if we gave them the opportunity to do it.

We shall not vote against the bill; we shall support it. But, once again, I want seriously to make it clear to the Liberal Party of Ontario that if they feel anxious about what they would regard as irresponsible borrowing, they needn't worry about precipitating a provincial election, because

we will stand with the government in this particular case.

Mr. Speaker: Does any other member wish to speak to the bill? If not, the honourable, the Treasurer.

Hon. F. S. Miller: Mr. Speaker, I appreciate the support of both the parties.

Mr. Laughren: You don't very often.

Hon. F. S. Miller: That's true. Apparently, the kinds of moneys that we're talking about with the five per cent rate aren't large amounts. They are individual amounts that may be owed to the crown, such as an overpayment to a physician through OHIP that has to be recovered; a payment to OHIP by a person who underpaid, or who was late in paying their account or something of that nature. Apart from that, Mr. Speaker, I would move that the bill receive its second reading.

Motion agreed to.

Third reading also agreed to on motion.

The House adjourned at 10:23 p.m.

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Friday, May 11, 1979

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

FRIDAY, MAY 11, 1979

The House met at 10 a.m.

Prayers.

VISITOR

Mr. Speaker: I would like to draw to the attention of all honourable members the presence in the Speaker's gallery this morning of Mr. R. B. Duncan, MP, a member of the Legislative Assembly for New South Wales.

HOCKEY GAME

Mr. G. I. Miller: On a matter of personal privilege, Mr. Speaker: I would like to pay my debts this morning. I bet the Premier of Ontario \$1 that Boston would win last night, and they almost did. If it hadn't been for the assistance of the referee in the last few minutes, I think they would have come across.

The real reason that I support Boston is that Stan Jonathan, who is a neighbour of ours, won the sixth game for them. I thought they were going to come through again in the seventh. It is a pleasure for me to present the Premier with this dollar this morning.

An hon. member: The Premier usually bets on the Argos.

Hon. Mr. Davis: It's a great pleasure to receive the dollar. It compensates for others I have lost on other athletic events. I just wanted to say to the honourable member that I understand why he was betting on Boston. I know the rest of his caucus, like all of us in this House, is totally committed to national unity and that our sympathies and support were behind the Montreal Canadiens. At least, I think that's the case, although I happen to know of a couple of the member's colleagues who didn't.

STATEMENTS BY THE MINISTRY

USE OF HERBICIDES

Hon. Mr. Parrott: Mr. Speaker, as members of the House may recall, in March I announced plans to temporarily prohibit the use of two herbicides, 2,4,5T and 2,4,5TP in Ontario. This was achieved by amending the regulations under the Pesticides Act to bring the application of these herbicides under strict regulation by permits. Since then, we

have denied permits as a matter of policy. This action was taken to allow time for the Ontario pesticides advisory committee to review the report and the action taken of the US Environmental Protection Agency.

I have now reviewed the committee's report and shall table it for the information of the members. It is entitled, Report on Assessment of a Field Investigation of Six-year Spontaneous Abortion Rates in Three Oregon Areas in Relation to Forest 2,4,5T Spraying Practices.

After careful consideration of all available data, the committee has determined that the scientific basis of the American study was inadequate. It did not, by itself, justify the conclusion and subsequent action of the Environmental Protection Agency. After deliberation, they have recommended that continued use of the two herbicides should be allowed in Ontario, subject to strict permit system.

I bring to the attention of members that officials in the federal Department of Agriculture, and Health and Welfare Canada independently came to the same conclusion, that, after a review of the recent American study and all other relevant and available scientific data, there are no grounds to invoke a regulatory ban at this time.

However, knowing of the great public concern over the use of these two products, I am extremely reluctant to act on the pesticide committee's recommendations at this time. Federal authorities are of the opinion that the absence of much crucial information has made a full assessment of the American study impossible. Appeals launched in the American courts against the EPA decision have placed legal constraints on the availability of necessary background information. It may be many weeks before these details are available.

Before we make a final decision on the use of 2,4,5T and 2,4,5TP, this data is needed to assure a thorough assessment. Therefore, the restricted classification for these herbicides will remain at this time and we will continue to deny permits for their use.

I have advised the Honourable Eugene Whelan, Minister of Agriculture, Canada, by letter, of my position on the subject and I have requested that his ministry assess the

need for further health studies in Canada concerning these two herbicides.

While on the subject of pesticide use in this province, I would like to table another scientific report by the pesticides advisory committee. This report, entitled, *A Review of the Use of 2,4D, Other Phenoxy Herbicides and Picoram* by Ontario Government Agencies, reviews the use of these pesticides by Ontario Hydro and the Ministries of Transportation and Communications and Natural Resources. This review includes quantities of herbicides used and an overview of the programs which each agency administers.

It should be noted that the pesticide advisory committee concludes its report by stating that the effect of these herbicides on the environment is minimal and that the programs run by the respective agencies are both effective and safe.

SPENDING BY ROYAL COMMISSIONS

Hon. Mr. McMurtry: Mr. Speaker, on April 3, certain members raised questions pertaining to royal commissions.

While I fully appreciate the position which must be taken by government to control the spending of public funds, one must be concerned, however, that a proper balance is maintained between the responsibility of government for public funds and the necessary independence of royal commissions. The primary role of government is to provide the necessary logistical support which a royal commission requires.

To understand the need that royal commissions be independent, one only has to consider the nature of the matters with which they are charged. They, of course, encompass a wide variety of subjects and include matters of major public concern and interest, matters relating to the conduct of government itself and, occasionally, matters relating to the conduct of the judiciary.

The initiatives of government to ensure effective spending of public funds, therefore, must not fetter a royal commission to the extent that it will not be able to effectively and properly discharge its mandate. In this regard, the government introduced guidelines for royal commissions in the manual of administration on July 20, 1978. The purpose of these guidelines, as stated in the manual, is "to ensure the efficient expenditure of public money."

Reference was made to a comment by the provincial auditor that the Royal Commission on the Northern Environment and the Royal Commission on Electric Power Planning had not complied with section 50(8) of the manual of administration in that they did not sub-

mit legal bills in amounts in excess of \$1,000 to my ministry for "review and approval" prior to payment. One member asked how it was that these funds for legal counsel were expended without my authorization.

First, the operative documents pertaining to the administration of royal commissions are contained in section 65(11) of volume one of the Ontario Manual of Administration, issued July 20, 1978; and the Administrative Guidelines and Procedures for Royal Commissions, issued by Management Board in May 1977 and revised in May 1978. Neither of these documents requires that the billings of private sector legal counsel be submitted by royal commissions to the Ministry of the Attorney General for review.

Such a requirement is, in my assessment, redundant inasmuch as the director of common legal services of my ministry, prior to the engagement of legal staff of a royal commission, evaluates the professional qualification, expertise and proposed duties of lawyers to be engaged. A rate is then established, based on rates currently being paid in the private sector, and is submitted to Management Board for approval in accordance with the provisions of the enabling order in council.

It should be noted that neither the Royal Commission on the Northern Environment nor the Royal Commission on Electric Power Planning, which commenced on July 13, 1977, and July 28, 1978, respectively, are funded through the Ministry of the Attorney General. In referring to this fact, I am not in any way suggesting any impropriety or mismanagement of public funds, but rather simply informing the members that the role of the Ministry of the Attorney General was a consultative one only. The orders in council establishing these commissions authorize them to engage such counsel and other staff as they deem proper at rates of remuneration and reimbursement approved by Management Board of Cabinet.

Section 50(8) of volume one of the Ontario Manual of Administration, as revised and reissued on December 8, 1978, no longer contains a provision that billings from the private sector legal counsel for amounts in excess of \$1,000 be submitted to the Ministry of the Attorney General for review and approval before payment is made. Rather, the revised policy contains a provision that ministries, not royal commissions, shall obtain the approval in writing of the Assistant Deputy Attorney General, common legal services, prior to engaging private sector legal services. Furthermore, there is a provision by

which this requirement can be waived if it is judged to be impractical or unnecessary.

It must be stressed that royal commissions are not ministries, agencies, boards or commissions of government and should not, in my judgement, be restricted or limited in their selection and utilization of necessary legal counsel.

With respect to the earlier version of section 50(8), the previous wording did include a provision requiring the Ministry of the Attorney General to review billings from private sector legal counsel for an amount in excess of \$1,000. However, this section was specifically in reference to the use of private sector legal counsel by a client ministry and not by a royal commission.

The Ministry of the Attorney General has traditionally had the responsibility for the courts and other judicial and quasi-judicial offices. It seems to me entirely unrealistic to set policies that are unnecessarily restrictive, when the purpose of these commissions is to conduct unrestricted investigations of various areas of public policy. I must categorically state that the practice whereby the chairman of a royal commission recommends counsel is fundamental to the independence of a royal commission.

There is an effective working relationship between the Ministry of the Attorney General and the five royal commissions currently funded through my ministry. The commissioners and their staff have been provided with and are aware of the guidelines contained in volume one of the Ontario Manual of Administration and the Administrative Guidelines and Procedures for Royal Commissions issued by Management Board. Furthermore, my officials provide such assistance as those royal commissions which are funded by other ministries may request.

The question was also raised whether or not there are salaried counsel available within the Ministry of the Attorney General who could provide the required advice within the existing budget. As I stated in my initial reply of April 23, I do believe there is very expert legal advice available within the Ontario public service. The crown law office, civil, has a complement of 23 lawyers and the seconded legal services number 119, including the ministry directors, and service a total of 21 ministries. Currently, one lawyer is seconded to the health records commission and one to the PCB inquiry. To my knowledge, there have been no requests for crown counsel to serve as counsel to select committees.

I believe there are four fundamental considerations in the provision of staff lawyers

to royal commissions and select committees.

First, the demonstrated need of a royal commission or a select committee to retain counsel in which it has confidence is fundamental to the success and independence of a royal commission.

[10:15]

Second, the possibility of a conflict of interests must be scrupulously considered. I'm certain that all members will agree that where such a possibility, real or imagined, exists, utilization of such legal staff is unacceptable.

Third, the availability of suitable legal staff will always be a determining factor. Legal counsel within government with the necessary expertise may not be available because of their on-going responsibilities.

Fourth, the existing demand for the legal services of the crown law office, civil, and the seconded legal services, if coupled with the provision of legal services to royal commissions and select committees on a regular basis, would require additional legal staff. This would, therefore, necessitate an increased salary budget.

There's also the practical consideration of the availability of and effective use of legal expertise employed in every field in anticipation of their possible requirement on royal commissions and select committees. The cost of such a program, if in fact it could be achieved, would be unwarranted, prohibitive in cost, and not an effective use of public funds.

I was asked whether I would consider having the legal bills of the Royal Commission on the Northern Environment taxed by a master of the Supreme Court of Ontario. I have reviewed a summary of the legal fees paid to the three lawyers who assisted the northern environment commission. There is no need to have these accounts taxed.

The Management Board secretariat and the Ministry of the Attorney General are continuously reviewing the guidelines for the administration of royal commissions.

In closing, I would like to reaffirm that the role of government is to ensure that public funds are wisely expended and, in the case of royal commissions, to ensure that they are provided with the necessary funds to discharge their mandate in an effective and independent manner.

Mr. Nixon: The auditor is wrong.

Mr. S. Smith: The auditor's wrong.

Mr. Nixon: The auditor's mistake.

FOODLAND ONTARIO PROGRAM

Hon. W. Newman: Mr. Speaker, yesterday it was drawn to my attention that imported

carrots packed by Hardee Farms International Limited were being sold in some Dominion stores with a Foodland Ontario logo on the package. Needless to say, the misuse of the Foodland Ontario logo is a great concern to me.

My staff began an immediate investigation. It was discovered that Hardee Farms had packed imported carrots in bags with the Foodland Ontario logo on them.

Mr. Riddell: Has Bill Stewart got anything to do with Hardee Farms?

Hon. W. Newman: You know, that's pretty down.

Mr. Wildman: That's what Mel Swart said yesterday.

Mr. Nixon: He's running Hydro and the banks; now he's getting into this business.

Mr. Breithaupt: A carrot by any other name is still a carrot.

Hon. W. Newman: Listen, why don't you go and chew on a few of them and listen?

Hardee Farms advised that 24,000 two-pound bags had been packed. My staff took steps to make certain any of the packages remaining at the Bradford warehouse of Hardee Farms were detained.

Mr. Laughren: Were they detained overnight?

An hon. member: Did they take their television away too?

Hon. W. Newman: Hardee Farms have agreed to remove any unsold imported carrots in packages containing the Foodland Ontario logo from retail stores. Dominion Stores Limited have also agreed to remove the product from their shelves immediately. They started doing that yesterday and I think they're all off now. The Foodland Ontario logo will have to be completely obliterated before any packages may be offered for sale.

Hardee Farms have advised my staff that the Foodland Ontario logo was printed on the carrot bags in error by the manufacturer.

Mr. Martel: Another clerk! What an inefficient bunch. Always somebody else.

Mr. Speaker: Order, order.

Mr. MacDonald: Do you buy that?

Hon. W. Newman: You'll be gone next time.

Apparently the Foodland Ontario logo was used earlier in the season when Ontario carrots were being packed. Hardee have also advised the improperly marked packages were used only between May 8 and May 10, 1979.

I am advised that the supply of marketable Ontario carrots has been almost depleted and

that is why US carrots are being imported and repacked for sale.

Mr. Speaker, I wish to assure the members that this unfortunate incident is being cleared up, and the parties concerned are both co-operating fully.

ORAL QUESTIONS

RADIATION FROM X-RAYS

Mr. S. Smith: I would like to ask a question of the Premier in the absence of the Minister of Health (Mr. Timbrell). Could the Premier explain how it is that the X-ray machines, which I asked the minister about yesterday, are inspected at best only once in five years, when the opinion of Dr. Taylor at least is that fluoroscopy machines and others should be inspected every three or six months? Since his government is able to inspect elevators on a far more regular basis, why is it unable to inspect X-ray machines on a more regular basis?

Can the Premier tell us what happens to the inspection reports on these machines? Will he make them available for us to peruse and will he also explain how it can be that some people told the Globe and Mail that their machines hadn't been inspected in as much as 22 years? What is going on in the inspection branch of the ministry and what can we expect to happen in the very near future?

Mr. MacDonald: Nothing. That's the problem.

Hon. Mr. Davis: Mr. Speaker, I would tell the Leader of the Opposition that the Minister of Health intends to make a further statement on this matter on Monday. I don't think it would serve the purposes of the House for me to endeavour to get into a detailed discussion here this morning, other than to make the observation to the leader of the third party—and I say this very objectively because I watched some of it last evening—that while one doesn't minimize the potential problems, to suggest, as really was implicit in what he said, that people should not take X-rays or the machines should be shut down is totally irresponsible.

I just glanced at the report. I don't pretend to be an expert, but I think it is really totally irresponsible for the leader of the third party to go out—

Mr. Martel: Why don't you answer the question that was asked? You haven't answered a question in a month. You're a clown.

Hon. Mr. Davis: —before television and to be suggesting that these machines should be closed down.

Mr. Martel: Answer the question.

Hon. Mr. Davis: I just think it's irresponsible.

Mr. Martel: Why be such a hypocrite and not answer?

Hon. Mr. Davis: There is another point that needs to be made.

Mr. McClellan: It's pretty silly for you to talk about being serious when most of the time you give a half-baked impression of answering.

An hon. member: What's that got to do with this question?

Hon. Mr. Davis: Well, it has. Why be so defensive? As I said, the Minister of Health will make a statement. I cannot give the numbers of inspections. I did listen to the minister very carefully yesterday though. I think it is also necessary to restate this. I am not an expert, but my understanding is one can inspect a machine today—the Leader of the Opposition would know this—and one can have a cardiograph today that tells one he is very healthy. Two hours later one can have a heart attack.

I would say to the Leader of the Opposition also something I think is important. This province is perhaps one of the very few jurisdictions in North America that has undertaken this sort of review that is endeavouring to bring some form of standard or regulation.

I would say to the Leader of the Opposition I also watched channel 11 last night in order to catch up on what was happening. I don't often get this opportunity. I was encouraged to see that the medical people in the city of Hamilton, as one area, had undergone some form of study encompassing all of the hospitals in Hamilton. The chief radiologist from McMaster said that in terms of any potential problems for the public being served in that part of the province—and it related only to Hamilton—that they were safe. I am sure the Leader of the Opposition must have been encouraged to hear that.

I think it's an important issue and the Minister of Health will have further statements or information to relate to the members of the House on Monday. He is in the city of Ottawa—well, he may not be as he was delayed a little bit because of fog at Malton International Airport. But he will be here Monday to make a further statement.

Mr. J. Reed: He has been in a fog for a long time.

Mr. S. Smith: By way of supplementary, I am sure every member of this House is happy to hear when properly inspected machines turn out to be providing no excess hazard for the public. The problem, as the Premier knows, is that a report exists which indicates that the machines are not being properly inspected and many do present a hazard to the public. Therefore, I would ask the Premier does he not recognize that, apart from the study which is being undertaken, there is a need now for every machine in Ontario to be tested, not necessarily by the ministry, but on instructions from the ministry, by people in the various hospitals in the various communities and for the results to be posted immediately.

Does the Premier not recognize that when a doctor orders an X-ray he is making a judgement, as when one orders any kind of blood test or anything else, between the benefits of the X-ray and the possible risk? The doctors must know to what risks they are subjecting their patients. Why doesn't the Premier undertake this within the month so every doctor knows the status of the equipment being used on his or her patients?

Hon. Mr. Davis: I, once again, don't purport to be an expert in these matters, but I would assume, and it is only an assumption, that the radiologist at a particular hospital certainly would acquaint his fellow colleagues with whether or not there may be a problem with the machine.

Mr. S. Smith: He doesn't know.

Hon. Mr. Davis: Well, I would suggest perhaps part of the responsibility has to lie with the person who has the responsibility for the X-rays within any given institution to have some knowledge of this. My understanding is a lot of them do.

Now, as I say—I want to emphasize this—I don't purport to be an expert in this field and I think this matter is important and it should be discussed when the minister is here. He is certainly more knowledgeable than myself and he is going to be here on Monday to deal with it.

Mr. Cassidy: Mr. Speaker, on a matter of privilege: First, I did not say the people should refuse to take X-rays. I suggested the defective machines should be closed down.

In view of the fact Dr. Taylor, the author of the study, has told us some 200 to 250 X-ray machines across the province are, in fact, defective and emitting excess radiation, is the province prepared to act immediately in order to ensure those X-ray machines are closed down? Is the province prepared to

act in order to provide funding to replace those defective machines, given the fact many people in the province are needlessly being exposed to levels of radiation which far exceed, for example, the maximum radiation which is permitted for workers in Ontario Hydro's nuclear plants?

Hon. Mr. Davis: Well, I won't add to what I said earlier. I would only say to the leader of the third party he may know what he felt he was saying yesterday, but I can tell him in terms of the perception of a lot of people across this province, by way of his contribution through the media, they would have gained the same impression I did. If he is saying today he didn't intend to create that impression, then I am delighted to hear that from him.

I would say it has been pointed out to me that not only should one be concerned about those within institutions, but chiropractors also use these machines. I was at the dentist myself the other day and the dental profession also use machines.

Mr. MacDonald: Answer the question.

Hon. Mr. Davis: I think it is quite obvious that if the ministry knows of a defective machine that needs to be repaired, or what have you, obviously they are going to do it. No ministry and no institution is going to knowingly tolerate a machine that is not working properly. I think to suggest any of them do is making a mistake. Certainly, the ministry is prepared to assist those institutions if, in fact, a machine is not working properly.

Mr. MacDonald: Why didn't you say that in the beginning?

Mr. Cassidy: Mr. Speaker, in view of the fact Dr. Taylor's study indicated equipment to monitor the exposure rates for radiation of X-ray machines is, and I quote, "simple, easy to use and readily available, but not now in use," will the government act to make that equipment available to all of the major X-ray users in the province so they can monitor and inspect on a regular basis rather than having to wait for five-year inspections by the Ministry of Health?

Hon. Mr. Davis: I think the leader of the third party is tending to overlook something, and that is it was the Ministry of Health that initiated a great deal of this discussion and initiated the report. I think the leader of the third party should understand the Ministry of Health is a totally responsible ministry. They are the ones trying to find an answer to the problem.

Mr. S. Smith: The Premier is right that the ministry is certainly responsible for the fact

X-ray equipment in Ontario is not properly inspected. They are responsible all right.

[10:30]

APPRENTICESHIP PROGRAM

Mr. S. Smith: I will ask a question of the Minister of Education, Colleges and Universities and sundry related matters. Would the minister explain to us with regard to apprenticeships how it is that her predecessor, the member for Oxford, said on June 6, 1978, the federal government would be providing \$8 million for employer-sponsored training? He went on to say: "Within the next year we expect to see several thousand people go to work across Ontario in employer-sponsored training activity." Yet it would appear that only 750 people are in the program, of whom 100 would have been in anyway under the former program, and a very small fraction, only \$1.5 million, of the federal money has been spent on the program.

Why was the minister's predecessor so wrong? What happened?

Hon. Miss Stephenson: Mr. Speaker, my predecessor was not wrong. The commitment of the federal program in support of apprenticeship and light training was of the order of \$7 million to \$8 million for the year 1979-80. It is the intention of those responsible for the program within my ministry and those responsible for the negotiations on the part of the federal government that this commitment will be totally accommodated and will be absorbed by the program established.

All the figures relating to this program and others in the apprenticeship area will be released in a statement I shall give to the House early next week. All of the details will then be available to all members in the House.

Mr. S. Smith: By way of supplementary—I am not sure if it should be a matter of privilege, Mr. Speaker. I would like to quote from the then minister's statement of June 6, 1978. He said: "A contract recently signed with my ministry will provide up to \$8 million in the current fiscal year"—that was as of June 6, 1978—"for employer-sponsored training projects." He went on to say, "Within the next year we expect to see several thousand people in the employer-sponsored training activity." The minister should not try to push it off to another year.

Furthermore, in responding to the question, would she also tell us how she responds to the Hushion report on the legislative basis for apprenticeship training in Ontario which

basically says there is a policy vacuum that has existed for some time? As I read it, it says the blame lies on the present legislative setup, namely the government.

Hon. Miss Stephenson: Mr. Speaker, I did not mean to say 1979-80, I should have said 1978-79. That was an error on my part.

Mr. McClellan: That is all right, correct the record. Give us this day our daily correction.

Hon. Miss Stephenson: Mr. Speaker, the Hushion report has been received by the ministry within the last six weeks. It is a very comprehensive report examining all of the reasons for problematical areas within skill training programs in this province. I think it is one of the most comprehensive reports that has ever been commissioned by any government to examine the problem.

Mr. Van Horne: The apprenticeship program is a disaster.

Hon. Miss Stephenson: The report is being examined right now by the industrial training council. We, within the ministry, are also examining it. We will be having discussions about the ways in which we can solve some of the problems which have been delineated by Mr. Hushion in that report within the very near future.

Mr. Cooke: Mr. Speaker, I would like to ask the minister: Can we expect new initiatives on the part of the government where the provincial government adds some of its own resources into the apprenticeship program in this province, rather than the \$8 million of federal money last year? And can we expect a new approach on the part of government where industry also contributes to maybe a grant levy system, or some type of program that has been successful in other countries, so that all corporations share in the costs of training people through the apprenticeship program?

Hon. Miss Stephenson: There has been a major commitment in terms of personnel and energy and time by the provincial government in support of the program which has already been established. I should like the honourable members to know the program has been extremely successful in terms of recruiting interested employers and the interest of trade unions in the support of such programs. There are now I think something in the order of 30 community industrial training committees throughout the province. I know that a new one has been established in my own area within the last month.

Also there is a great deal of activity going on which is involving the commitment of employers, trade unions, educators at all

levels of education, and the interested people within the community. I believe with that kind of co-operative commitment we will be able to make very significant progress in the area of employer-sponsored training.

In terms of apprenticeships, as I told the House last week, and the honourable member will note it if he reads Hansard, the problems with apprenticeships are several. One that has been disturbing has been the apparent rigidity of programs. We are having discussions with both trade unions and employers about the ways in which we may produce programs that are more flexible and responsive.

We are also having discussions on the methods which might be used in order to ensure that there is a broad spectrum of apprenticeship places available throughout a number of industrial sectors involving small, medium and large employers. That is a problem that has been identified and one which must be solved. There are a number of approaches to that problem which I think were very clearly demonstrated in last June's Skills for Jobs conference.

Those approaches are being discussed with the relevant people in order to ensure that we develop the right kind of program. This whole area has a very high priority within the ministry and within the government. I can assure the honourable members they will be hearing a great deal more about it.

Mr. S. Smith: By way of final supplementary, since my first question was, how come the minister who preceded the present minister was wrong when he said on June 6, 1978, that there were eight million federal dollars available and that several thousand people would be in the program within the year, and it is now May and we find that only \$1.5 million has been spent and 750 people are in the program? She said the minister wasn't wrong, it was intended for 1979-80. By way of supplementary I got her to admit it was not 1979-80, it was 1978-79.

Could she answer the original question and tell us what happened to the money, why the ministry couldn't spend it, why there are not several thousand people in the program as the minister promised, and why was he wrong?

Hon. Miss Stephenson: Mr. Speaker, the propensity for the Leader of the Opposition to attempt to assign single blame for any kind of activity—

Mr. S. Smith: You're all wrong. I just spread it around.

Hon. Miss Stephenson: —really is somewhat annoying at times. I did say that I

would have the details of this program available for the members of the House early next week. All of that information, all of the details and all of the figures I will be very pleased to provide early in the week.

DAY-CARE POLICY

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Community and Social Services about cutbacks.

In December 1978, a survey of home day-care needs in Metropolitan Toronto identified a need for 230 places. We have done a survey now which indicates there is a need for 645 day-care places in home day care according to the waiting lists of all of the agencies in Metropolitan Toronto. In addition, there is a need for 250 places in group day care identified by Metropolitan Toronto's government itself.

In view of the fact that there are now 895 children on the waiting list here in Metropolitan Toronto for day-care services, can the minister explain why the government's funding formulas for this year will not allow the creation of even one additional day-care place in Metropolitan Toronto?

Hon. Mr. Norton: Mr. Speaker, certainly there is no planning on the part of the government—

Mrs. Campbell: You're right.

Hon. Mr. Norton: —that would lead to the conclusion that the honourable member has suggested. We have not made that determination strictly. There is provision within our budget for a modest increase in day-care spaces in Ontario of about 400 this year.

The situation, though, in Metropolitan Toronto as it stands at the moment is that last year Metropolitan Toronto exceeded its budget by—my recollection off the top of my head is some \$500,000, which we have committed to make up and in fact to build into its base for day-care services this year, and make that part of the base on which the calculation of the increment is made for this fiscal year.

I think that once there has been a little careful planning on their part they may not be in what they are portraying at the present time as a desperate situation. I say that not critically of them, but I would point out it was only about a week ago they were talking about the possible need to lay off in excess of 100 employees because of a shortfall in their budget, for which they blamed us, claiming they were short about \$850,000 in terms of their needs in one of their departments this year.

The following day a senior official of my ministry spent half an hour with their senior administrative officials and demonstrated to them where without any cut in service, but by efficient administration, they could make reasonable administrative decisions which would save \$830,000. Again, I say that not critically. Before they portray their situation as alarming, I would urge them to sit down and very carefully assess their administration and areas where they might make more efficient use of the resources we have at the present time.

Mr. Cassidy: Supplementary, Mr. Speaker: The Metropolitan Toronto government has now gone through the exercise the minister talked about, but because of the province's five per cent spending guidelines they have in fact, been forced to cancel the 200 additional day-care places in home and group day care they were intending to create this year. Can the minister say what action his ministry is prepared to take to meet the desperate need for close to 900 day-care places, most of which are for children of parents who face the very difficult choice of if they can't work for lack of day care, they may well have to go on welfare? What action is the ministry prepared to take in order to ensure this desperate need is met?

Hon. Mr. Norton: Mr. Speaker, as always, the staff of my ministry are prepared to work co-operatively with the Metropolitan Toronto staff. Of course, we cannot usurp the administrative responsibility they have.

Mrs. Campbell: Mr. Speaker, would the minister explain how effective his co-operation is without dollars attached to that co-operation? He talks and he talks but the responsibility he leaves with the municipality. Where is his responsibility for these children in the International Year of the Child?

Mr. McClellan: International year of the hypocrite.

Hon. Mr. Norton: Mr. Speaker, as the honourable member knows, there has been, I suggest, a more generous rate of increase in funding in the area of children's services than probably in any other area of government spending.

Mrs. Campbell: Children's mental health centres. Don't talk.

Hon. Mr. Norton: The honourable member knows, if she will sit and be honest, and stop sensationalizing things, for one moment, that for over two years we have been consulting with people across this province engaged in working with children and people in the general public, and consistently they have been saying to us it is important there be

some redirection in the services for children in this province. We have been listening to that. We have been planning and we have been planning carefully—

Mr. Martel: Cutbacks.

Hon. Mr. Norton: —and now we are at the point where we have to make some very tough decisions in order to execute the plans that have been developed—

Mrs. Campbell: The execution is clear.

Mr. S. Smith: You are executing the program. You are assassinating it.

Hon. Mr. Norton: —with the support of the people in this province.

I ask the honourable member, is she really being honest with us and everybody else in this province, or is she going to dig in her heels and thwart the efforts on our part to do what we know is right and what she knows is right and what has been recommended by the people engaged in children's services in Ontario?

Mrs. Campbell: Point of privilege: I have never yet spoken or acted in anything other than an honest way, and I resent that insinuation. I ask it be withdrawn.

Mr. Speaker: I have no control over that sort of thing. I can't insist, unless it's unparliamentary, and I don't see that it is.

Mr. Peterson: Tell the Sergeant at Arms to run a sword through him.

Mr. Warner: Apologize.

Mr. Swart: Apologize to the children.

Mr. Warner: Apologize and then resign.

[10:45]

Mr. McClellan: As a supplementary, what I want to ask the minister is this: Within his budget, although it is true he has given a 9.9 per cent increase for children's services, why has he imposed a five per cent ceiling on day-care services? That exceeds even the most oppressive measure that the former minister (Mr. J. A. Taylor) took. Surely it makes sense to the minister to provide additional funding above a five per cent ceiling to day care, because this is the most effective preventive children's service we have available?

Hon. Mr. Norton: I'm not sure. I'm not saying that the last statement of the member is incorrect, but I'm certainly not sure that it is correct.

Mr. McClellan: It's the minister's own statement I was reading from. It could be incorrect then.

Hon. Mr. Norton: I agree that there are many people who feel very strongly that

quality day care is an important preventive tool.

Mr. McClellan: Take the ceiling off, that's all we're asking.

Hon. Mr. Norton: Although, at the same time, I would point out there are many other services that have been identified as necessary as preventive measures in serving the children of this province. One of the realities which goes with responsibility for government programs and accountability to the public for expenditures we have to face is that one must engage in what is a very difficult task at times of establishing priorities, just as the member has to, I trust, with his own personal budget in serving his own family, or meeting the needs of his own family.

Mr. Warner: Why doesn't the minister get a job as the keeper of Newgate?

Hon. Mr. Norton: Surely the member too must establish certain priorities? We have engaged, in the last two years, in what I believe to have been one of the most extensive priority-setting exercises ever.

Mr. S. Smith: The government spent half a million dollars on one multinational to buy out another multinational.

Hon. Mr. Norton: I would also point out to the Leader of the Opposition that the future of our children in terms of employment is also something that we have to be concerned about. We do not, in this government, develop tunnel vision.

Mr. S. Smith: The minister doesn't have any kind of vision, tunnel or otherwise.

Hon. Mr. Norton: I would point out to the honourable member that, certainly, if we had unlimited resources available to us, rather than simply generous resources—

Mr. Peterson: So you threw away succession duty revenues in the Year of the Child.

Hon. Mr. Norton: —then obviously we would try to meet every expectation and perhaps every need in the province. Maybe we would do that, but clearly we cannot do it. So what we have to do is try to assess essential needs, try to assess realistic expectations that we ought to be meeting and do our best to meet those.

Mr. Warner: Scrooge is a lawyer.

Hon. Mr. Norton: We cannot be all things to all people at all times. That is the reality of 1979 in Ontario and in Canada, and it's the reality of life in the western world. We're still doing a better job than almost any other jurisdiction in the western world.

Mr. Speaker: A new question, the member for Ottawa Centre.

Mr. Peterson: A supplementary.

Mr. Speaker: The member for Ottawa Centre.

Mr. Peterson: Mr. Speaker, I lose again.

Mr. Cassidy: Your party lost out in BC again too, yes.

Mr. Breithaupt: How did you do?

Mr. Cassidy: Not bad. We'll take it next time.

Mr. Foulds: We will take 47 per cent of the vote any time.

Mr. Speaker: Order.

Mr. Cassidy: We got 47 times the combined votes of the Conservative Party in BC.

Mr. Speaker: Order. If the member for Ottawa Centre has a question please put it, or I might even recognize the member for London Centre.

HAZARDOUS SUBSTANCES

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of the Environment arising out of his answer to a written question from my colleague from Beaches-Woodbine (Ms. Bryden) about carcinogens being used in the plastics, rubber and pigments industries.

In view of the fact that the ministry's hazardous substances handbook noted back in December 1976, more than two years ago, the extremely dangerous nature of such chemicals as methyl yellow, benzidine and MBCA, can the minister explain to the House why it took almost two years before the government commissioned the MacLaren study to determine what should be done in order to control or limit the use of these very hazardous chemicals?

Hon. Mr. Parrott: Mr. Speaker, I'd like to take that question as notice.

Mr. Cassidy: Supplementary: In view of the fact that the 1976 handbook said about methyl yellow that no exposure by any route should be permitted and about benzidine that any exposure is considered hazardous, can the minister say why in his written reply he said that the use of these chemicals was relatively small, when it came up to 25 to 75 tons per annum? Can he tell the House why there are not standards in Ontario even now for exposure to these very hazardous chemicals?

Hon. Mr. Parrott: I'll take that as notice.

Mr. Speaker: That's taken as notice too.

NUCLEAR PLANT SAFETY

Mr. Van Horne: I have a question for the Minister of Labour concerning nuclear

energy and public safety. Can the minister explain the discrepancy in the information provided in a recent CBC television news report from the Bruce and Douglas Point nuclear plants? The report made two points. One was that local police, fire and ambulance people have had no education from or through Ontario Hydro in how to respond to an emergency at nuclear plants. The second point was that one contingency system consisted of placing a disc in front of the home of a lady. When the lady was interviewed, she was able to say that her information was that if the disc went off or an alarm sounded from the disc, she should get into her car and drive off somewhere, not unlike Don Quixote, I suppose.

Mr. Riddell: Where? Into Lake Huron?

Hon. Mr. Elgie: London North.

Mr. Van Horne: There is a discrepancy between those comments and the minister's comments of April 2, in which he indicated that his ministry was the lead ministry in matters of safety. He made specific reference to the fact that "should evacuation be required, this would be under the control of local authorities who are represented by the control group."

There seems to be a discrepancy. Can the minister explain it?

Mr. Wildman: No.

Hon. Mr. Elgie: First of all, the question of off-site contingency plans was dealt with in great detail at the select committee on Ontario Hydro affairs. I would refer the member to that for a more detailed review of the problem.

We are aware of the fact and the member is aware of it too, that the Bruce generating station does have a fairly detailed off-site contingency plan.

Mr. S. Smith: It just so happens that nobody knows about it.

Hon. Mr. Elgie: I can't deny that we have much to learn from all that has gone on over the past few weeks. All of us have a lot to learn. Immediate plans are under way to carry out a full-scale, mock disaster situation at Bruce, simply to inform the public and the various groups involved, the fire department and the police department, so that a situation such as the member has reported to us—and I saw the program he saw on TV that night—does not occur again.

Mr. S. Smith: What did you think of it?

Hon. Mr. Elgie: I have the same concerns the member has about the fact the public in that area doesn't feel it's well informed, and we will move to correct it.

Mr. J. Reed: You're concerned about everything but you've done nothing about it.

Mr. Van Horne: Supplementary: I have the minister's statement of April 2 and I have the information from the select committee, but there is still the question as to when these people are going to be informed. As recently as the last few days, they say they have not been informed. How long is the minister going to wait?

Mr. Warner: Clean up your act.

Hon. Mr. Elgie: As the member knows, there are two parts to the question of any nuclear situation that may be of an alarming nature. The first is the on-site plan, which was gone into in great detail at the committee and which the member is fully aware of.

The on-site plan also requires that there be a certain awareness of the community involved and that it take some responsibility for that. In addition to that, my ministry as lead ministry and, I might say, under the direction of the emergency committee of cabinet, has a responsibility for off-site contingency plans. Those plans have been drawn up.

We have had two mock exercises in the Pickering area. We are now planning a mock exercise in the Bruce area. We recognize the need for that sort of educational process to inform the public and we all have learned a lot from the situation which has occurred in the past few weeks. I acknowledge that. We are now proceeding to have the public and the facilities, such as fire and police, better informed about what to do in the case of any disaster situation.

Mr. Foulds: Does the minister not agree that in terms of public perception it is much better to have the public fully informed? Therefore, does he not agree that instead of having just one or two mock exercises, it is important the public be fully informed of the procedures and that the mock exercises be carried out on a regular basis, simply because there is a transitory population in both those areas?

Hon. Mr. Elgie: That has been our policy in the Pickering area, as I mentioned in my previous remarks.

Mr. Foulds: Two in how many years?

Hon. Mr. Elgie: Two in two years. It is our plan to carry out that sort of regular exercise at each of the plants. The member can appreciate it hasn't been an easy matter to develop contingency plans that are that thick for each plant, but they are being developed and they are developed in particular with regard to Pickering and Bruce.

We are going to proceed with the mock exercise at Bruce and will do so on a regular basis.

Mr. Sargent: Being aware of the minister's thoroughness, I know he will follow through on this. But is he aware there was a release this morning from Washington that 41 nuclear plants in the United States will be closed down very shortly if they can't come up with immediate evacuation plans?

I am not aware of the minister's communications with the plants, but is he aware that last night there was a unit alert that lit up like a Christmas tree—an evacuation last night at Douglas Point, Bruce A? Does he have communications about things like that?

Hon. Mr. Elgie: I do not have immediate access to communications such as that unless the on-site contingency plan alerts the off-site group director. I would not have knowledge of that unless the on-site planners, Hydro in that case, felt there was any possibility of an off-site concern. So I would not automatically know of that.

CONSTRUCTION EMPLOYMENT

Hon. Mr. Elgie: During my absence from the Legislature on Tuesday last, questions arose concerning the present status of our discussions with the province of Quebec concerning its regulation restricting the rights of construction workers resident in Ontario to gain employment on projects in Quebec.

Suggestions have been made in the media and elsewhere that a compromise agreement has been reached between our two provinces and that a firm decision has been made by the Ontario government not to proceed with Bill 136, an Act to Stabilize Employment of Tradesmen in the Construction Industry. I wish to advise members that both of these assertions are incorrect.

As to our discussions, I last met with Dr. Johnson, Minister of Labour and Manpower for the province of Quebec, on March 23 in Montreal. At that meeting we once again reviewed the entire matter and Dr. Johnson advised me of certain changes to the Quebec regulations that were about to be made, unrelated to the Ontario situation. Frankly the proposed changes were not ones that made the prospects of settlement any easier from Ontario's point of view.

Notwithstanding that fact, I undertook to consider the proposals he made, discuss them with my colleagues and respond as soon as possible. Subsequently I received a letter from Dr. Johnson dated March 28, 1979, in

which the proposals made at our meeting were set out in writing.

It is quite clear from the text of that letter that Dr. Johnson was under no misapprehension that an agreement had been reached. In fact his summary of the points discussed is premised by the phrase, "The proposed solution could be drawn up as follows."

[11:00]

On April 6 I replied to his letter and in my reply expressed my disappointment that the impression had apparently been created that we had reached agreement at our meeting of March 23. I reminded him I had made it clear I would have to present his suggestions to my cabinet colleagues and to my caucus before I was in any position to respond. I went on to say that on further reflection, it had become apparent there were four specific matters of substance which required clarification before I would even proceed further to discuss it with cabinet and my caucus.

The four matters upon which I required further information were set out with particularity in a letter to him on April 6. That letter concluded with the statement that once I had received the requested information, I would pursue the Quebec proposal with my colleagues and advise him of the results of our deliberations as soon as possible. I have not yet received a reply to that letter.

The questions I asked were, I believe, simple and straightforward and the information I have requested is essential before any further decision can be made. In an attempt to expedite the matter, I have sent a Telex to Dr. Johnson asking when I may expect to receive a response.

As to Bill 136, An Act to Stabilize Employment of Tradesmen In the Construction Industry, members will recall that it was introduced in the House for first reading on June 22, 1978, and was subsequently referred to a standing committee. In the current session, it was reintroduced and received first and second readings on March 6. On the same day it was referred to the standing committee on resources development.

I hope this clarifies precisely where the matter now stands. It would be premature and unproductive for me to comment further on the substance of our discussions with the province of Quebec, at least until I have received a response from Dr. Johnson.

Mr. Cassidy: Supplementary, Mr. Speaker. Will the minister table his exchange of correspondence with the Quebec Minister of Labour and Manpower and the specific let-

ters which he cited, in order that the Legislature can be fully informed about this matter?

Hon. Mr. Elgie: Mr. Speaker, as I indicated in my previous response, I do not feel it would be productive at this time for me to table the correspondence. When I have discussed the final process with cabinet and with my caucus, I will be pleased to consider doing so.

Mr. Cassidy: That's open government.

Hon. Mr. Elgie: That's responsible government.

FOODLAND ONTARIO PROGRAM

Mr. Swart: Mr. Speaker, I rise on a point of personal privilege. I believe the Minister of Agriculture and Food has breached a privilege where he has inadvertently misled the House in his statement this morning where he said he had been advised the improperly marked packages were used only between May 8 and May 10, 1979. I can bring him a sworn affidavit that the carrots improperly marked were purchased before that time in the Dominion stores in St. Catharines.

Hon. W. Newman: Mr. Speaker, on this point of privilege. I said in my statement that Hardee Farms have also advised the improperly marked packages were used only between May 8 and May 10. This is the information that we got from their office yesterday and if there were some before May 8—

Mr. Swart: It brings into question their credibility, doesn't it?

Hon. W. Newman: I didn't mislead the House; they said that so don't let yourselves get carried away.

An hon. member: You say what they say.

Hon. Miss Stephenson: He reported what they said.

Hon. W. Newman: I'm reporting what they said.

Mr. Speaker: Really, nobody's privileges have been breached. Obviously, there's a difference of opinion and I see no reason why we should take the time of question period in this way. It seems to me they are honest differences of opinion and it will all come out in the wash.

DISEASES AMONG MINERS

Mr. M. Davidson: I have a question for the Minister of Labour with regard to the federal study, Cancer Mortality in Selected Northern Ontario Mining Communities. Does the minister agree with the remarks made by Dr.

McCracken of the Workmen's Compensation Board when he says: "It is not the policy of the board to review unpublished documents; what I would hope is that Dr. Wigle will have it reviewed, analysed and commented on by his peers." This statement implies to me that the board is prepared to do nothing, therefore would the minister not agree that it is the responsibility of the board, and not of his ministry, to initiate its own study based on the findings of Dr. Wigle?

Hon. Mr. Elgie: Mr. Speaker, I think there may be some misunderstanding about the whole question of a study of disease, including mortality in miners in Ontario. Some time ago this ministry, in conjunction with the board, commenced a study related primarily to uranium miners, with other miners being used more or less as a control group. It soon became apparent such a study was going to involve collecting all of the health records of all of the miners, including non-uranium as well as uranium, and there might be a lot of valuable information to be obtained by gathering data on all of those miners from the information records we have which go back to 1955. It, therefore, was obvious the study needed to be expanded so we could have greater information about the incidence of various diseases in all miners, be they uranium or non-uranium miners. That's what we have been doing now and that's a study that's under way.

The Wigle study from the federal government might be termed a sort of a mini-study in that it's selected two or three communities and zeroed in on them. His findings, of course, and the study are not in conflict with what we are doing but are rather a collaborative sort of effort. I don't see any suggestions that anyone's not interested in the Wigle study. I am interested in it.

Mr. McClellan: What about McCracken? He's not interested.

Hon. Mr. Elgie: Hang on or I'll get my dog after you.

I have asked my staff in the occupational health and safety division to specifically review the Wigle study, having in mind there may be some information in it that requires us to explore some matter in greater depth. We are attempting to establish a broad understanding of diseases and complications from the workplace that miners are exposed to and there's no interest in doing anything else. There is a commitment to try and understand what has gone on in the past and to try and correct it for the future.

Mr. M. Davidson: Supplementary, Mr. Speaker: Given that the study shows some

very dramatic deaths having resulted from lung cancer in comparison to what may normally be expected, is the minister now prepared to assure us a central registry for all miners in Ontario will be established as soon as possible? This registry, I might add, has been called for by this party and the United Steelworkers of America for a good number of years. Will the minister assure us that not his ministry but the board will in fact, initiate its own study based on the findings of Dr. Wigle?

Hon. Mr. Elgie: Mr. Speaker, as the member knows, the Occupational Health and Safety Act 1978, does have provision under regulations for the establishment of certain worker registries and we will be proceeding in that area. I might tell the member, the first registry we intend to set up is one related to silicosis. That's not to say there are not other equally important registries; one does have to establish some list of priorities in which one will proceed. We do have an interest in establishing certain registries and the new legislation does give us that authority, but let's not assume there are no lists or compendiums related to miners in Ontario. The Workmen's Compensation Board, as the member knows, has a full list of miners in Ontario. It goes back, as I mentioned, to some time in 1955. There is a list, and we do have access to it, and in conjunction with the Workmen's Compensation Board, we are involved in this study. They are involved and are showing their interest in the whole problem.

Mr. McClellan: You didn't deal with McCracken.

Mr. Martel: Supplementary: I am going back to Dr. McCracken's statement. Over the years it has been our experience that certain trends and certain illnesses start to develop which ultimately lead to the untimely deaths of miners. I remind the minister of Elliot Lake and the cancer problem in the sintering plant in Sudbury. Why is it the compensation board, when that starts to occur, does not institute its own study to try and head off a total disaster?

Dr. McCracken's statement indicates they are not prepared to move in that direction. Will the minister direct the compensation board, when it starts to get these type of figures, to look into those matters immediately?

Hon. Mr. Elgie: Mr. Speaker, as I have indicated, I think there's clear evidence we are concerned about this problem and are carrying out a joint study in conjunction with the WCB. If there's a suggestion the

Wigle study from the federal government is going to be ignored, it's not a correct assumption.

Mr. McClellan: You should initiate your own assessment of it.

Hon. Mr. Elgie: I have directed the occupational health and safety staff to review it to see whether or not—

Mr. McClellan: Don't leave it up to them.

Hon. Mr. Elgie: —there should be any change in the direction our own study is taking. At our forthcoming meeting with the board, I will also get their assurance they will be involved in the same sort of review of the Wigle study. There's no doubt about that.

Mr. Martel: That's not what McCracken says.

AUTO REPAIRS

Mr. Breithaupt: Mr. Speaker, a question for the Minister of Consumer and Commercial Relations: Does the minister realize that if a consumer in this province finds himself in the unfortunate situation of having totally unauthorized work done in the repair of a car, that the use of the Mechanics' Lien Act will force the person to pay for that work, whether it was authorized or not, if the person wishes to have the car made available to him or to her? Does the minister have knowledge of this kind of a practice and does he think that that is a proper application of the Mechanics' Lien Act, where work has not been authorized?

Hon. Mr. Drea: From time to time that is brought to our attention. There have been and there are continuing discussions with the Ministry of the Attorney General regarding this problem. I am very hopeful that those discussions will lead to the inability, in a procedure where the work has not been authorized, for a mechanic's lien to be filed.

There are some areas in the field of automobiles where, quite frankly, a mechanic's lien should be filed, even though there is no authorization for any work, particularly in the field of towing, where a vehicle has been abandoned or what have you. I am not talking about an accident where there is a driver or that type of thing. But in terms of what the member is talking about, namely, repairs, there are ongoing discussions with the Ministry of the Attorney General regarding this problem.

Mr. Breithaupt: Supplementary, Mr. Speaker: To take the example which I have here of a lady who took her car in for an oil change and the garage had a new motor

put into the car without any authorization, would the minister not agree that in circumstances such as that the use of the Mechanics' Lien Act is wrong? What powers does the consumer protection bureau have to attempt to remedy matters like that and avoid a forced payment if the person wishes to obtain the car?

Mr. Makarchuk: Was the oil in the motor or did they add it later?

Hon. Mr. Drea: Obviously we have certain powers, notwithstanding the use of the Mechanics' Lien Act. The mechanic's lien and other types of liens are used in areas other than automobile repairs. It has been our policy to move in and deal with the problem. If the mechanic's lien is not removed voluntarily, while we don't actually participate in the court case for civil action against the person who laid it, certainly we provide sufficient expert evidence that it is a relatively easy and not a financially straining proposition for the person who is involved.

I would say that while the example given by the honourable member certainly is bizarre—and I don't know anything about it—I would presume that the argument there is it was a verbal thing. I don't want to get into the merits of it. That is why I have a fleet of ghost cars on the road. Nobody has asked me a question since January about the fleet of ghost cars that are operated by this ministry.

Mr. Nixon: Tell us about the ghost cars. Why don't you make a statement about it?

Hon. Mr. Drea: You will find honesty and integrity and things like that out there.

Mr. Speaker: If they are ghosts, I don't know how they would be aware of them.

Hon. Mr. Drea: Mr. Speaker, the reason I said that is that I said in December we would do it.

Mr. S. Smith: Are you the ghost writer for the Premier's review of Morty Shulman's book?

Hon. Mr. Drea: The use of the ghost car in this type of operation has diminished that type of activity quite remarkably.

Mr. S. Smith: It sounds as if the lady doesn't have a ghost of a chance.

Mr. M. N. Davison: Supplementary: If the minister would come back to the original question raised by the member for Kitchener, in his ministry's dialogue with the Attorney General will he tell the House today that he and his officials will make strong representation to the Attorney General in cases where the Mechanics' Lien Act cannot be used, in those cases where payment is sought for auto-

mobile repairs where there was no authorization by the consumer?

Hon. Mr. Drea: As I pointed out to the honourable member who asked the original question, we have been making strong representations for a period of time to the Ministry of the Attorney General, but it is not as simple as he has just laid out. It is not as simple as "there is no authorization," because there are times, particularly when a vehicle is abandoned—

[11:15]

Mr. M. N. Davison: Just for repair.

Hon. Mr. Drea: —that is considered to be a bill. There are also other times when the automobile repair man's defence in business is the mechanic's lien. This is how he gets a hearing when a customer says, "I don't like what you did, regardless of how you did it," and refuses to pay.

It is not a simple thing; it is a very complex thing. None the less, I understand the point of the honourable member's supplementary question and that is the area we are trying to resolve. We are trying to resolve it as expeditiously as possible, so that a person will not be victimized by the relatively automatic placing of a mechanic's lien which suddenly turns it from a dispute between a consumer and a businessman into the courts. Then the law comes in on the side of the businessman, much to the detriment of the consumer.

FOREIGN OWNERSHIP

Mr. Laughren: Mr. Speaker, I have a question of the Treasurer. Since the Minister of Industry and Tourism and his colleague, the Premier, have been trying to sell Ontario first to the British and then to the Japanese, would the Treasurer share with us his views as to why he thinks increased foreign ownership of Ontario is an appropriate economic and industrial strategy? Does he not think that creating jobs in Ontario can best be achieved by rebuilding our own Canadian manufacturing industries, rather than inviting someone else in, which would cause even more foreign ownership? And is he not afraid the continued sellout of Ontario will result in the Toronto Star endorsing the NDP in the next provincial election?

Hon. F. S. Miller: That is perhaps the kind of assistance we are looking for to get a real majority.

Mr. Foulds: The minister will eat those words.

Hon. F. S. Miller: Mr. Speaker, we are selling the English and the Japanese on Ontario. I think that is the key difference.

Mr. S. Smith: You are selling Ontario to them.

Hon. F. S. Miller: We are selling the English and the Japanese on Ontario in many ways, not just to invest here. We will be quite honest; we are glad to have investment here.

Mr. Warner: Make sure you're selling it, not giving it away.

Hon. F. S. Miller: At the same time we want to make sure we make it easier for Ontario business to be done in those countries. The Japanese in particular have made it difficult for other countries to sell into Japan, I think the members would agree. The latest round of GATT negotiations I think almost foundered on that point of view. We also have to encourage, as I have said many times, Ontario and Canadian citizens to get back into the habit of, and confidence in, investing in their own country and we need to help them do that.

Mr. Laughren: Supplementary, Mr. Speaker: In view of the fact the Treasurer does seem to think that increased foreign ownership is a good thing, is he aware of a very major study that was done by Professor Powrie of the University of Alberta on the contribution of foreign capital to Canadian economic growth? I will be very brief; there are only three major conclusions:

1. From 1950 to 1976 if there had been zero inflow of foreign capital into Canada for all 26 years, the Canadian standard of living would still be at least 98.7 per cent of its actual level in 1976.

2. If there was zero inflow of foreign capital into Canada for the entire decade from 1977 to 1987, the Canadian standard of living—

Mr. Speaker: That question should really be put as an inquiry of the ministry.

Mr. Laughren: Okay. I will summarize my question then, Mr. Speaker.

In view of this major study which I would ask the Treasurer to read, would he please tell us and perhaps even table in this chamber, information contradictory to the conclusions in this major study which indicates foreign ownership is not a blessing for Ontario?

Hon. F. S. Miller: There are many opinions on that matter; there is no one unique solution to the matter. I do not think anyone in this chamber would like all the multi-nationals or all the capital to withdraw from

this country. What we do need to do is create jobs in this country, some of which are going to have to involve multinationals, and at the same time encourage Canadians to invest in this country and support those small industries that are starting to become large companies.

One of the great things I am finding is we are getting Canadian multinationals these days. I think we should encourage Canadian multinationals to invest in other countries and have their home base here.

RESOURCE EQUALIZATION GRANTS

Mr. B. Newman: A question of the Minister of Revenue: As it is understood by some municipalities the new formula or weighting factor for the calculation of the resource equalization grant will be available in June of this year, will the minister inform the Legislature as to the date of the introduction of this new formula and what opportunities municipalities will have for input to express their concerns over the new formula?

Hon. Mr. Maeck: The equalization factors will be gazetted by July 15. That is when the municipalities will be officially advised of the new equalization factors.

They have from July 15 to some time in November to study their equalization factor to see how it affects their present condition. Then, if they feel the equalization factors are wrong, they have the right to appeal to the Ontario Municipal Board which will assess whether or not there has been a mistake made.

PETITION

CABLE TV SERVICE IN OHC PROJECTS

Mr. Swart: Mr. Speaker, I have a petition to present to the members of the Legislative Assembly of Ontario signed by 214 senior citizens of Ontario Housing in Welland, and a few in Port Colborne:

"We the undersigned, being residents of the OHC senior citizens in Welland, object to the termination of the block purchase of cable TV which enables us to obtain greatly reduced rates. We petition the Legislative Assembly of Ontario to instruct the Minister of Housing to reconsider and authorize officials of Ontario Housing Corporation to negotiate continuation of the agreements with the cable TV company."

PRIVATE INVESTIGATORS AND SECURITY GUARDS ACT

Hon. Mr. McMurtry moved first reading of Bill 84, An Act to revise the Private Investigators and Security Guards Act.

Motion agreed to.

Hon. Mr. McMurtry: The bill is an amended version of Bill 87 which received first reading in the last session. The bill would substantially modernize the legislation which was last updated in 1965.

The current Private Investigators and Security Guards Act will be extended to apply to new groups such as the burglar alarm industry and security consultants. The bill would provide, in addition, for improvements in the licensing system and the powers of enforcement.

A new tribunal would also be established to hear appeals to the decisions of the registrar respecting licences.

The proposed law is intended to alter and renovate the existing regulatory process for the betterment of the industry, the licence authority and the public.

PUBLIC SERVANTS' POLITICAL RIGHTS ACT

Mr. Cassidy moved first reading of Bill 85, An Act to provide Political Rights for Public Servants.

Motion agreed to.

Mr. Cassidy: Mr. Speaker, the purpose of this bill is to provide that public servants will be able to write, to speak, to contribute, to solicit funds, to work, to join, to hold office and to vote on behalf of, in, for, or to a political party or candidate in a federal or a provincial election. It will protect public servants from punitive action by their superiors or from being forced to carry out partisan duties as a condition of their employment.

It's designed to end the second-class status, as far as political rights are concerned, of Ontario's public servants. It's time this bill was adopted now.

ORDERS OF THE DAY

BUDGET DEBATE (continued)

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Philip: Mr. Speaker, it's a pleasure to speak in this budget debate—

Mr. Ruston: On a point of order, I want to ask the Speaker if I could have a ruling as to the adjournment of a debate. If I remember correctly, on Monday afternoon last the member for Oriole (Mr. Williams) adjourned the debate. I was under the general impression that parliamentary procedure was

that that person carried on in the next debate.

Mr. Haggerty: There are no other speakers indicated, though.

Mr. Speaker: The member was under a false impression, if he had that impression. There's a general agreement by the whips, who order the speakers, that speakers follow in rotation. On numerous occasions in the past we've had members get up and adjourn the debate on behalf of a particular party. It's just whoever happens to catch the Speaker's eye. I'm assured by the Clerk that from time immemorial you follow the normal rotation as long as you have speakers to fill the slots.

Mr. Ruston: Mr. Speaker, I don't beg to differ. That was the general operation of this House for the last 11 years I've been here. At the time the member for Oriole adjourned the debate the problem was there were no NDP members in the House, and maybe that was the reason.

Mr. Speaker: I think if the honourable member will check back to the last time we had this item before the House, I think it was the member for Timiskaming (Mr. Havrot) who adjourned the House, and the next speaker was the member for Halton-Burlington (Mr. J. Reed). I think if the member will check back on that, we're not establishing a precedent here this morning.

Mr. Foulds: Well done, Mr. Speaker.

Mr. Philip: It's a pleasure to take part in this debate on the budget. It's a budget that once more socks it to the middle-class taxpayers who have built this country and made it the great country that it is. It's a regressive budget by a regressive government. It's a doctrinaire budget. Gone are the days of the pragmatic practices and pragmatism of John Robarts, and so enters a new version of Goldwater and Adam Smith fundamentalism in economics in this province.

The budget gives lip-service to one of the most pressing problems and then falls into its rigid ideological trap of assuming that complete reliance on private enterprise, with little direction or leadership from government, can somehow produce the kind of growth necessary to put this province's 300,000 unemployed back to work.

This blind faith in private enterprise is also reflected in the lack of any initiatives in the consumer field. The very least the Treasurer (Mr. F. S. Miller) could have done was to provide an Ontario food prices review board to protect consumers from unjustified increases in food prices. He fails to do this. It is little wonder that the consumer is being ripped off daily in this province.

We saw recently, in the condominium bill that was introduced by the Minister of Consumer and Commercial Relations (Mr. Drea) and debated in this House, that even the simplest requests from condominium owners for some consumer protection were rejected. Even the simplest requests for the licensing of management firms, a request that was backed by many of the reputable management firms, were rejected not only by the Conservatives but also by the Liberals, out of some kind of blind faith in Adam Smith economics.

[11:30]

What was important was a rigid ideological position taken by the government and by the Liberals, not the basic needs of the consumer. The consumer be damned; ideology is what's important to this government.

As transportation critic in this Legislature, I spend a great deal of time documenting the lack of policy in this ministry. The very fact that there is, right now, an inquiry into the Ontario Highway Transport Board is ample evidence of the lack of leadership by the Minister of Transportation and Communications (Mr. Snow). Instead of accepting the fact that mistakes have been made in the past in a vacuum of any kind of policy, he has engaged in the kind of shoddy politics that have no place in this province.

The most recent example of this was the speech made on May 8 at the Ontario Traffic Conference. I was present when he told the audience that it took 19½ hours to vote only \$50 million, and half an hour to vote over \$1 billion. The minister implied, of course, that members of the opposition took all this time on matters of minor importance and were not interested in the concerns of people who attended that conference.

Mr. Eaton: That's right on.

Mr. Philip: I didn't see you there, so how would you know?

Mr. Eaton: I was at it.

An hon. member: Where were you, Bob, under the table?

Mr. Philip: The minister conveniently neglected to mention that a great deal of the time was spent on the first vote, a vote dealing with policy and, therefore, affecting more than the specific costs to the administration. He failed to mention that part of the time for estimates was taken by an inquiry into the transportation board, an inquiry affecting billions of dollars to shippers and to transport companies in this province.

He failed to mention that much time was spent on safety, a vote which, once again, is

important not only in economic terms but also in very real, human terms.

He failed, also, to mention that there are Conservative members on that committee and that they spoke on many of those early votes. He failed also to mention that the committee was chaired by a Conservative, and had that chairman properly administered the new standing orders of the first vote, much less time would have been taken on the vote.

Mr. Eaton: He was a much better chairman than you ever were.

Mr. Philip: In fact, the minister even failed to give the correct information. He misled that audience.

The facts are that after 9:45 p.m. on the day he referred to, the committee voted on votes 2604, 2605, 2606, 2607, 2608, 2609 and 2602, and it adjourned at 10:25 p.m. The total vote prior to 9:45 p.m. was for \$74,-018,920. These figures can be checked.

I dare the minister to table his speech so that all members of the Legislature can see the kind of shoddy politics the Conservatives are engaged in. Instead of policy in terms of transportation—

Mr. Eaton: On a point of privilege, Mr. Speaker.

Mr. Deputy Speaker: Order. A point of privilege.

Mr. Eaton: I thought it was unparliamentary in this House to state that somebody misled. I would ask that the statement be withdrawn by the member.

Mr. Deputy Speaker: The member did use the term "misled" and I wonder if he would withdraw it.

Mr. Philip: Mr. Speaker, I understand that the rule indicates that it may not be stated a member misled the House. I did not say that the minister misled the House, I said that he misled a conference that I attended.

Mr. Eaton: He's still accusing a member of the House of misleading.

Mr. Deputy Speaker: I really don't feel that's parliamentary and I would ask the honourable member to withdraw.

Mr. Philip: Since I have a lot of respect for the present Speaker, then, I'll withdraw the remark. What the minister said is evident. I challenge the minister to table his speech and we can all examine what he said.

An even shoddier form of apologetics in transportation was the letter that was sent to all the northern newspapers by Mr. Oliver Korpela of Sudbury.

At that time, Mr. Korpela, in his letter to all of those newspapers, suggested that somehow the New Democratic Party and the

Liberals were responsible for the fact the people of Chapleau have to pay 69 cents for a loaf of bread. He stated that 24 cents of that price were freight costs and that was because, in the words of the minister—quoting from a conversation with the minister—somehow "the Liberals and the NDP had combined to defeat a bill in the House."

I would like to read into the record a letter which I and some of my northern colleagues have sent today to all of the northern newspapers. I want to show those people that they cannot get away with this kind of shoddy, cheap politics.

It reads as follows:

"Recently a letter from Mr. Oliver Korpela of Wesmak Lumber Company Limited, Chapleau, Ontario, appeared in the North Bay Nugget and other northern newspapers charging that NDP and Liberal transportation policies are responsible for higher bread prices in northern Ontario.

"Mr. Korpela's letter is a totally inaccurate attack on the NDP which, we suspect, is politically motivated, coming as it does during a federal election campaign. Political differences are no excuse for using fabricated figures to support one's own self-interest.

"To begin with, the allegation that a 24-cent difference in bread prices exists between Toronto and Chapleau is nonsense. The same premium brand-name, 24-ounce loaf that sells for 64 to 67 cents in Toronto sells for 67 to 68 cents in the Sudbury region, a price differential of one cent. Mr. Korpela, according to bakery company officials, is referring to private store bread when he mentions the 45 cent figure. These loaves are produced for chain store operators who, in many cases, use the product as a loss leader, as a means of attracting customers by offering a lower price—often below cost.

"Transportation costs between Toronto and Sudbury amount to 2.5 cents a loaf, not the 24-cent figure which Mr. Korpela quotes. Some of the bread sold in Chapleau actually comes from Shaw Bakeries in Thunder Bay. Godbout General Store sells this bread for 65 cents a loaf, while Dominion Stores offers it for about 63 or 64 cents. Dominion also offers its own brand at around 45 cents as a loss leader in this town.

"It is clear that Mr. Korpela is comparing apples and oranges, and using false information as well.

"Mr. Korpela's concern about empty trucks returning from Toronto after delivering lumber to Toronto are understandable, but his company could not service the Chapleau area with bread. Trucks bring the bread in on large racks which are returned to the

bakeries along with stale products left over from the previous deliveries. This means that service to the Chapleau area is a two-way process, not the one-way operation implied by Mr. Korpela.

"Mr. Korpela points to regulation of the trucking industry as the root cause of the problem of empty trucks travelling between northern and southern Ontario. We in the New Democratic Party, on the other hand, believe that this problem stems from the type of economy that has been forced on the people in northern Ontario.

"This economy, supported by the Progressive Conservative policies and by the present budget, is based on the mining of natural resources, with almost no attention paid to secondary manufacturing. A diversified economy in northern Ontario would improve the situation considerably. We remind Mr. Korpela and the Conservative Party that it was Darcy McKeough, the former Treasurer of Ontario, who indicated in 1977 that there would be no secondary industry in northern Ontario for at least 20 years.

"As to whether liberalization of the trucking industry would reduce freight costs, a select committee of the Legislature, chaired by the Conservative MPP Bud Gregory, concluded that this would not be the case.

"The committee discovered no significant differences in tariffs between the regulated trucking industry in Ontario and the unregulated trucking industry in Alberta.

"On the contrary, however, the committee did find that transportation costs are less expensive in Saskatchewan, which does have a regulated industry.

"Mr. Korpela also states that in his discussions with Mr. Snow, the Minister of Transportation and Communications, it was indicated to him that Mr. Snow attempted to liberalize trucking in Ontario and that it was blocked by the New Democratic Party, aided by 'enough misguided Liberals.'

"As to whether the Liberals are misguided or not is neither here nor there, but the facts of the case are materially different from those stated. The Minister of Transportation and Communications presented a bill to the Legislature, Bill 21, An Act to amend the Public Commercial Vehicles Act.

"On May 2, 1978, this bill was withdrawn without ever having been debated and a new bill, Bill 78, An Act to amend the Public Commercial Vehicles Act was introduced. This bill also remained on the Order Paper for many months and at no time did it receive second reading. Simply put, it was never voted on.

"It is a well-known fact that there is a split in the Conservative ranks over the question of deregulation. When the critics of the two opposition parties indicated that they were prepared to proceed with a bill which would remove the North Bay restriction, the government chose not to call the bill because it could not count on the full support of its own caucus.

"In conclusion, Mr. Korpela's letter should be dismissed as a politically motivated attack on the NDP"—and I might add on the Liberal Party—"for which it has no substantial basis in fact." That kind of shoddy politics which is used as an absence for any kind of policy in transportation is the kind of thing which is unbecoming to members of the Legislature or to their supporters and I suggest to you, Mr. Speaker, that any time we run into that kind of thing we will attack it in the same way that we have dealt with it right now.

I would like to deal briefly with a matter that concerns many people in my constituency, and that is the matter of health care. I would like to read to you excerpts from an article which appeared in the *Etobicoke Guardian*, Wednesday, May 9, which I think deals with the matter of how this particular government is destroying the health care system in this province. The article, written by Leslie Ferenc says:

"Approximately 1,200 outpatients turn to the services provided at Lakeshore Psychiatric Hospital when times get rough. But when the hospital closes in September, these individuals will be forced to look elsewhere for help." It is that "elsewhere" of course, that the minister has promised to take care of, but so far we see no evidence of that.

"Currently there are approximately 15 outpatient programs serving the borough. People who rely on the 89-year-old facility for such services as day-care programs, alcohol clinics and behavioural therapy programs which will soon begin to feel the side effects of the closure.

"Ontario Health Minister Dennis Timbrell has promised \$1.3 million will be spent for community-based services. But with only 114 days left before the hospital locks its doors, time is running out.

"Mike Travers, a vocational counsellor and assistant director for the DARE program"—Day-care Assessment, Rehabilitation and Education, Etobicoke—"says the service will not be able to meet the needs of all the people who will be coming out of Lakeshore when the facility is closed. A relatively new organization"—I am proud to be on the advisory council—"called Friends and Advocates

also is doing its share to help individuals who have been discharged from Lakeshore. Program co-ordinator Jill Butler describes the organization as 'a people's program.'

"We feel, however, that there was a great need for more outpatient programs in Etobicoke, even before the minister announced that Lakeshore will be closed," she says. "When there is no support from the community, some people will be forced to go back into the hospitals."

A letter was sent to the Minister of Health (Mr. Timbrell) by the Family Service Association of Metropolitan Toronto on April 6, 1979. When I spoke to them last week they still had no answer from the minister. The letter points out that the Family Service Association is "the only professional family counselling and family support agency in the Etobicoke community. Yet the minister has not informed anybody as to why Dr. Lynes's outpatient transfer committee has not contacted this professional association."

[11:45]

I would ask the minister, assuming he will be reading this speech, to table a list of those agencies that have been contacted to date in this regard, since the minister knows that the FSA cannot handle the large increase in referrals sent from the psychiatric sources. Since it cannot handle them under its present facilities, where is the slack going to be taken up?

Is this association going to be given additional funding? What other associations are being contacted? One would think if the minister were serious about providing the kinds of outpatient services he has promised, he at least would have contacted this organization as one of the first organizations to be involved in some kind of planning.

As they said in the Guardian article, two days ago, there were 114 days left. Now there would be, by my arithmetic, 112 days left and one wonders what the ministry is doing.

There's been a great attention paid in this Legislature and in the newspapers to the inadequacies of this particular budget. The commentators and editorial writers have had a great deal to say about the inadequacy in providing employment. Much attention has been focused on the problem of cutbacks in medical services. In all of the heated debate, perhaps housing has not received the kind of attention it really deserves.

To many seniors in our society, housing is a major problem. The fact is the present Conservative government at Queen's Park is taxing many seniors out of their homes. Last year the budget promised property tax reform

and enriched tax credits for seniors. They are still waiting for it and some have simply given up and reluctantly have had to sell their homes.

Only this week a report adopted by the Toronto planning board suggests seniors who can no longer afford to retain their homes should be allowed to convert them into smaller senior citizen apartment blocks. The report points out there is a shortage of accommodation for seniors in the Toronto area. Whatever the merits of the report in creating new senior citizens' accommodation, isn't it sad seniors in their retirement age should be asked to open up boarding houses? That's basically what's happening as a result of the actions of this Conservative government.

Where are the golden years the Premier loves to talk about when he appears?

Mr. Eaton: Mr. Speaker, I don't see a quorum.

Mr. Deputy Speaker called for the quorum bells.

On resumption:

Mr. Deputy Speaker: I am advised there is a quorum. Would the member for Etobicoke continue?

Mr. Philip: Thank you, Mr. Speaker. I really think the Conservatives should use their whip rather than the bell in order to get some of their members into the House. I notice there were two present at that time.

Hon. Mr. Walker: You've only got six. There are 28 of your people missing—98 per cent.

Hon. Miss Stephenson: There were 100 per cent missing for prayers.

Mr. Philip: Since part of my comments were missed, I guess perhaps I should start at the beginning and go over them. Only this week a report adopted by the Toronto planning board suggested that seniors who can no longer afford to retain their homes should be allowed to convert them into smaller senior citizens apartment blocks. The report points out there is a shortage of accommodation for seniors in Toronto. Whatever the merits of the report in creating new seniors' accommodation, isn't it sad that seniors in their golden years must be asked to turn into boarding house operators?

Mr. Haggerty: That's the NDP policy; sharing the wealth.

Mr. Philip: Where are the golden years for these people the Premier (Mr. Davis) loves to talk about when he comes to my riding—only at election times, mind you—to visit the seniors at R. J. Smith and West

Acres senior citizens' residence? The education and social services component of property tax is an enormous burden on the elderly. We in the New Democratic Party feel this should be shifted to a more progressive form of taxation. However, the present government is moving in the opposite direction.

In 1975, the government met 61.4 per cent of the average education costs across the province. This left 38.6 per cent to be paid by property taxes. This year the government's share is expected to be only 51.5 per cent, so property taxes must meet 48.5 per cent of the total.

In Metropolitan Toronto, as our critic, the member for Nickel Belt (Mr. Laughren) has pointed out, the shift is even more dramatic. The government provided 35.1 per cent of the education costs in 1975 but will pay only 20 per cent this year. In other words, while property taxes had to provide 64.9 per cent of Metro's education dollar in 1975, in 1979 they must meet fully 80 per cent of the cost.

Property taxes are regressive taxes. They take from those who often can least afford to pay—the retired, the person temporarily unemployed, the disabled and the middle-income earner. In provinces like Saskatchewan, where the NDP is the government, they have moved to a more progressive form of taxation, and one need only compare the property taxes of seniors and others in Saskatchewan with those of Ontario.

I find it hard to understand why this government is so insensitive to the needs of the seniors in this province. It is not as though the government doesn't know the issues. Groups such as the United Senior Citizens of Ontario have done an excellent job of making the views of seniors known to all members of the Legislature. One would think that even from a purely pragmatic political point of view the government should be interested in seniors' issues. The USCO, for example, has almost 1,000 affiliated clubs across the province and these people are articulate and increasingly politically sophisticated. If the government doesn't respond to their needs they will soon turn to those political parties, such as the NDP, that are listening to them.

The government should also be aware the average age of the population is changing. While the percentage of seniors, that is, people over 65, was 8.4 per cent in 1971, we can project that by the year 2000 the percentage of people over the age of 65 will be 13.6 per cent.

Mr. Ziemba: One day the grey power will drive out the Tories.

Mr. Philip: Conversely, while 37.9 per cent of the population consisted of people under 19 in 1971, the projected drop is to 23.3 per cent by the year 2000. Thus, the needs of seniors today will be multiplied considerably within the next 20 years. It is therefore necessary from a purely pragmatic point of view to understand senior citizens' needs and to develop new programs that can be used in the years ahead when a very large part of our population, some of ourselves included, will be part of that retired population.

I have been pleased to have a close association with the United Senior Citizens of Ontario. Only last week I had an opportunity, as transportation critic for this party, to accompany a delegation of them to a very profitable and very worthwhile meeting with officials from the Toronto Transit Commission.

The USCO has presented a number of thoughtful briefs to this government. It has pointed out how regressive the system of taxation is and how it imposes hardship on seniors. In the brief presented in December 1978, we find a number of recommendations on housing that make an awful lot of sense. If I may, I would like to quote one section from it that I think deals with a problem that has certainly been brought to my attention by many seniors in my riding.

The brief says they have received a number of requests for two-bedroom apartments to be supplied in senior citizens' housing projects. The need for this type of housing becomes apparent in the case of a married couple living together, when in the event of illness the occupancy of one bed is not in the best interests of both parties. Another reason for two-bedroom apartments is so two friends could share one apartment and thus reduce costs. One might add that in those instances they might also reduce the need for someone going to a nursing home or other institution of more intensive care.

The brief also recommends an alternative to the housing situation is for the ministry to relax the rules of qualification and for people waiting for such housing to be subsidized in their existing living quarters.

We have in our riding an excellent experiment called Highway Terraces, in which we have 50 units geared to income. The others are on a non-profit payment basis. It means what we have in that building is an economically wide cross-section of seniors who are in the one building and are able to share their talents and their wide variety of experiences with one another.

[12:00]

We have not created in that building the kind of ghettos that will be created if senior citizens' housing is restricted to only the very poor. I suggest that that kind of experiment is worthwhile and is certainly needed.

Seniors may not in some instances have an economic need for senior citizens' housing, but they have a psychological or health or other reason for wishing to live in that kind of accommodation. Simply because they have been able to save some money is no reason they should be restricted from the advantages that come from living in that kind of accommodation.

Some seniors are confined to nursing homes for long periods of time. At times they have a need for certain privacy. A particular nursing home in my riding, Kipling Acres, has an excellent chief administrator and an excellent staff who are able through a number of experiments to provide that kind of privacy. However, this is not common throughout the province. It strains the staff and resources of every nursing home when we find there is a need, either for medical reasons or for psychological reasons, to have a resident given the kind of privacy that may be required. USCO deals with this in its brief. It recommends that nursing homes provide rooms for their patients when needed, at the recommendation of the patient's physician. I think that is a very reasonable kind of suggestion.

Another suggestion that has come from seniors in various groups has been about the extremely expensive cost of automobile insurance. Some seniors find that because of the location of accommodation—in our case, for example, those who are on geared-to-income rents at 75 Tandridge in Rexdale—the only way they can get out is by automobile. Yet car insurance is extremely expensive for them. Certainly the Ministry of Consumer and Commercial Relations should conduct a complete study on the high cost of car rates charged to senior citizens. Many seniors contend that this age group has fewer accidents and should be considered for rebates on car insurance. A study of this might produce some interesting results and provide some basis for negotiations with the automobile insurance companies to give what would be fairer rates to seniors.

This budget is a reactionary budget. It gives more tax concessions to the resource corporations and it does nothing for the seniors and for middle-income groups. I find it is certainly a budget that in conscience I cannot support.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to participate in the all-im-

portant budget debate for this year. In so doing, I am particularly pleased to have an opportunity to speak to this particular budget. It is one that realistically looks at our financial past and gives consideration to our financial needs in the immediate future, as well as commenting on long-term considerations of a financial nature.

The bringing down of the budget each year is of course the time of financial accounting. It is a time when government must really face the moment of financial truth. It is very easy for governments to embark on ambitious programs to provide either hard or soft services to the community, and it is indeed an obligation of government to ensure these basic services are provided. There is a particularly heavy onus that rests on the government in power to ensure these objectives can be achieved in a responsible financial fashion.

We always must bear in mind it is not the government per se that makes the financial wherewithal available in order to provide these services and distribute the wealth in a meaningful way to ensure this society is equitable, fair and desirable, so citizens from anywhere would like to live in it. Indeed, those cash resources are located in areas other than government. It is axiomatic that we do have to look to the individual citizen and to the business enterprises that operate within the private sector of our society to ensure the financial wherewithal is available, in order that we, as a responsible government, can ensure basic and fundamental services are attended to to ensure the basic wellbeing of all people in our society.

The Treasurer of the province has, of course, a unique and singularly important role to play in having to match these programs in all sectors of our government as identified by the different ministries. He has to be able to relate these in a very business-like fashion to the all-important consideration of cold, hard cash and the dollar equation.

There is an amount of rhetoric forthcoming from members of this Legislature, on an ongoing and quite often repetitive basis, about the lack of services provided to the people of this province which create purported welfare ghettos and pockets where people live below the poverty line and have yet to see the light of day as far as having the basic social amenities available to them. These types of speeches continually go on.

One never hears attached to them the important responsible financial considerations that must accompany any government program brought forward to assist the less fortunate in our society, and indeed to en-

sure there is an orderly behaviour of all of our society, whether it be through the provision of appropriate law enforcement agencies or just responsible statute law by which people govern their activities in society on a day-to-day basis.

I think it is a fundamental part of our democratic system that there has to be a financial accounting on an annual basis and the government in power has to account to the people as to how it has not only administered the programs in the preceding year but found the financial wherewithal to ensure these programs have operated within a responsible fiscal budget.

The thing that has interested me over the years in listening to the budgets that have been brought down has been observing the reaction of the opposition parties when the budgets are presented. As we all know, the budgets speak to the successes of the preceding year, that is as to whether the government services and programs have been discharged during the preceding 12-month period within the financial allocations that were designated in the budget. But they also provide some financial prognostication as to how we can best afford to provide continuing and basic services within reasonable limitations, bearing in mind the state of the economy as a whole.

What has surprised me is why the members opposite sometimes obviously feel—by the looks on their faces—uncomfortable and perplexed and sometimes bewildered at the time of budget presentations. I look in particular to the members of the third party. They seem to be floundering about somewhat when they have the cold, hard facts of economic life presented to them. I've often wondered why this is so and why it showed up so obviously among the ranks of the members of the third party. But after reflecting on this for some time I came to realize that perhaps the reason for this is that they lack a grasp of the significance of budgeting and of having to account for dollars and having to raise taxes from people in order to present these government programs.

It's interesting that throughout the year, from one budget period to another, the third party in particular brings forth a wealth of proposed legislation, by way of private members' bills or resolutions or—

Mr. Philip: We don't make as many promises as Joe Clark.

Mr. Williams: —just through debate that would bring services like they'd never been seen before.

Mr. Philip: Have you costed Clark's proposals?

Mr. Williams: I can think of some of the bills that have come forward in recent times, and in concept one can't argue with them. But when one is not part of the government one doesn't have to be responsible for accounting financially. One never hears mention of financial accountability or the availability of the dollars to provide these marvellous programs our socialist friends bring forward.

Mr. Warner: You missed Floyd Laughren's speech.

Mr. Williams: They have no real, true concept of what the meaning is all about of attaching dollars to government programs.

Mr. Philip: Sounds like Joe Clark.

Mr. Williams: This is why they're so perplexed and bewildered.

I look behind the party as a whole to the individuals and I can understand this is probably generated by the fact that none of them has worked in the private sector. While each and every one of them undoubtedly has come from an honourable profession and occupation, I don't see one of the members sitting over there—if I'm in error, I'd like to see any stand up who can be the exception to the rule—who has ever worked in the hurly-burly of the private sector—

Mr. Warner: Stand up. Stand up.

Mr. Williams: —who has worked in the real world of trade and commerce.

Mr. Warner: There they are.

Hon. Miss Stephenson: Three out of 20.

Mr. Williams: Those who have seen fit to join the party—

Mr. Warner: Half of those now in the House.

Mr. Williams: —and castigate and chastise—

Mr. Ziemba: There are more opposition members standing up than government members.

Mr. Williams: —the government when we talk about financial restraint and responsibility, are the ones who've never had the privilege or opportunity—

Mr. Ziemba: You don't know what an honest day's work is.

Mr. Williams: —in their whole lifetime ever to go out and have to sell a product or to worry about operating expenses or financial losses or having to pay their employees. They're all people who have been on government salaries and staff—

Mr. Warner: John you're absolutely right. You'd do well in selling baloney.

Mr. Williams: —or they are people who have worked with the big unions and have worked for the multinationals and all they've had to do is pick up their pay cheque at the end of the week. They haven't had to worry about where the money's coming from. They might be teachers—and that is an honourable profession—but they don't have to worry about where the buck's coming from. All they have to do is pick up their pay cheque each week for professional services truly rendered. They don't have to be concerned about—

Mr. Philip: What's your business background?

Mr. Williams: —the responsibilities and the difficulties and the business risks involved in running a business and in hiring people and having to pay them their benefits, and having to compete with other people in this—

Mr. Philip: Where's your business background?

Mr. Williams: —hurly-burly world of trade and commerce. They don't know what the word means. That's why they don't understand budgeting.

Mr. Warner: So says the lawyer.

Mr. Williams: It is because they just don't have any comprehension or real appreciation of the fact that one has to relate dollars to provision of services. I've come to understand now why—

Mr. Warner: Let's hear it for the lawyer.

Mr. Williams: —they are so perplexed and why they flounder about each time the budget comes forward. They just don't know how to handle it. They simply get up and go on with their continuing rhetoric of more social programs and we never hear mention of the dollar factor at all.

[12:15]

Mr. Warner: We admire your sense of humour.

Mr. Williams: Some of the bills that have come in in the past session alone would eat up the provincial budget of the past five years if they had their way. There is just no reality at all between the fact of raising a tax from the poor taxpayers and the corporations and having to provide those services. That's the difference between responsible government leadership and that from those in opposition who are so far removed from—

Mr. Philip: If the government is so responsible, how come it owes so much?

Mr. Williams: —the realities of the situation that they continue to live in an Alice-in-Wonderland world. It's reflected in the rhetoric, the response and the reaction that we get from them in this Legislature on an ongoing basis.

Mr. Lupusella: That's complete nonsense.

Mr. Williams: We've learned to live with it, but I think the people of the province get pretty sick and tired of hearing that nonsense when it can't be substantiated with responsible considerations and dollar considerations.

Mr. Warner: That's why there are 33 of us here.

Mr. Ziemba: You're almost bankrupting us the way you're running the store.

Mr. Williams: I think they would be a lot more respectable and responsible party if they started doing that. I don't see that happening in the foreseeable future. That's why they will never be the governing party of this province.

Mr. Ziemba: If you're so smart, why aren't you in cabinet?

Mr. Philip: He can't even make parliamentary assistant.

Mr. Williams: There is another consideration which comes in directly in this budget that we have before us. Not only is it talking about dollar considerations, but this budget is directed very strongly towards the private sector and the fact that there must be an initiative by this government on a continuing, co-operative basis to support the private sector that has had its difficulties in these difficult economic times. The difficulties have not been of a regional nature or a provincial nature or a national nature. They have been international in scope.

No one government alone has been able to counteract the onslaught of inflation. It's been a world phenomenon. The private sector has reeled under the impact of the negative aspects of inflation, as have the workers, because when the private sector can't function and when it can't provide its productivity to its full extent, we all suffer.

Mr. Philip: Now I know why I am not a Conservative. I would never get to sit beside anyone intelligent.

Mr. Williams: This budget clearly recognizes the need for the government to work with the private sector.

Mr. Philip: The Minister of Education can't take any more.

Mr. Lupusella: She is leaving.

Hon. Miss Stephenson: I'd love to stay and listen to it because it's worthwhile listening to. Get the bananas out of your ears.

Mr. Lupusella: That's why you're leaving.

Mr. Williams: The Minister of Energy concurs.

Mr. Ziemba: It's called comic relief.

Mr. Williams: I was going to be referring to bananas later, but I'll save those for a few moments down the line. It's in this area that we must be concerned and we must be developing a positive attitude towards the private sector. Often in previous years people have considered government to be on a confrontation basis with the private sector and that we're out to try to regiment and control the private sector out of business.

Mr. Ziemba: No, only small business.

Mr. Williams: This simply is not so, not with this Conservative government in any event.

Mr. Philip: You look after big business but you shaft small business.

Mr. Williams: Those in the opposition, particularly the third party, who suggest we're giving the private sector a free ride and that it's not being taxed enough and not being dunned enough, should sit back and reflect once in a while—

Mr. Philip: Not the private sector, just the multinationals. You don't give a cent to small business.

Mr. Williams: —rather than shouting and yelling as we have seen exemplified here this afternoon.

Mr. Philip: Why don't you do something for small business for a change?

Mr. Williams: If they would just sit there, reflect and think about what's going on and about the fact that this government has perhaps enacted more legislation and has responsibly provided, where needed, reasonable controls on the private sector and in certain industries than any other government, then I think—

Mr. Ziemba: Trickle-down theories.

Mr. Williams: —they could not criticize this government for not having responded to consumer concerns and needs. The fact is that we have been able to respond in a very responsible way to ensure that all sectors of the private sector do have an opportunity to succeed—

Mr. Ziemba: You responded to Judy LaMarsh all right.

Mr. Williams: —with reasonable, and only reasonable, government intercession and con-

trol, where it was deemed absolutely necessary.

Mr. Ziemba: How about the 2.2 million Judy LaMarsh got?

Mr. Williams: It's been a stated objective of this government to withdraw from some of the areas where we have, because of given specific circumstances, moved in with legislation at a certain point of time under a certain circumstance to regulate a certain industry.

Mr. Phillips: All you did was to try to ruin the trucking industry in the province.

Mr. Williams: Once the difficulty has been resolved, this government has no hesitation in backing out, if we find that an industry can indeed behave in a responsible fashion towards the consumers of this province and let it regulate itself, if necessary. We have no hesitation in recommending this.

Mr. Warner: Tell us about Inco.

Mr. Williams: The contrary is the attitude of our colleagues in the third party.

Mr. Philip: How would you like to have a few million dollars invested in the trucking industry?

Mr. Acting Speaker: Order, please. It's fine to have a few interjections—they are in order—but the member for Oriole has the floor, and running dialogues in opposition to what he is saying are not in order. If you want to make a few interjections that's all part of the game, but we can't have this continual chat. The member for Oriole may proceed.

Mr. Ashe: They don't like hearing the facts of life.

Mr. Ziemba: Try not to be so inflammatory.

Mr. Williams: Thank you, Mr. Speaker, for imposing some reasonable restraint on our colleagues across the way.

Mr. Ashe: The facts of life are scary.

Mr. Williams: One other attitude I have to comment on that I see coming forth from members of the third party when they are speaking about the budget, and about the big corporate enterprises and the multinationals, and big government spending too much money or not spending it in the right direction is the fact that that party will never be a creditable party as long as it continues to consider only two parts of the three-part equation.

Mr. Haggerty: Don't give away your trade secrets.

Mr. Williams: We are all fully aware of the fact that there are three major elements that contribute to the economic life and facts of life of this province. We have, of course,

government itself, of which we are members. We have big business, and of course we have big unions and labour.

Mr. Haggerty: Big government too.

Mr. Williams: This province cannot move forward and flourish and become an even greater province than it is without co-operation from each of those three sectors. None of them is perfect; not one of them. We all commit our errors, we all try harder, but none of us is perfect and we all make mistakes.

Mr. Ziemba: I'm glad to hear you say it.

Mr. Williams: I alluded a few moments ago to legislation this government has felt, from time to time, the need to enact to control a particular industry in the private sector, or to give some means of regulating an industry so that there is no chaos and confusion in the marketplace. By the same token, we have no hesitation, if there is some element in the labour movement that is giving cause for concern to the public, to respond to that situation too.

When we are criticized as a government for spending too much money and bringing this economy to a point where over 40 per cent of the work force in the province is in the public sector rather than in the private sector we know we have a problem. We realize we have a responsibility to exercise restraint and control and to contain ourselves. It's a perfect example of the fact that we ourselves are getting too big for the purpose and the function we have to ensure that there are proper laws, that there is order within our society, and that we can outgrow ourselves.

We ourselves have to show reasonable restraint. If we are going to ask the private sector to show this type of restraint and control we have to go to big labour, we have to go to management, and we have to ask them as well to follow our lead in showing restraint and control in the manner in which we conduct our affairs, so that no one in our society will be prejudiced by inappropriate and irresponsible actions by any one of those three sectors.

The area where I find there is a lack of real credibility from our colleagues in the third party is the fact that they continue—

Mr. Philip: You at least recognize who the opposition is.

Mr. Williams: —to recognize only two of those three elements. They understand where their power base is. They know they have to rely on the large unions to ensure their financial support and success, and they get

much of their direction from that source. For that reason, I can understand that they are very reticent—

Mr. Ashe: Bashful.

Mr. Williams: —to be critical if criticism of their benefactors is needed.

Mr. Haggerty: That marriage is going to be fractured after May 22.

Mr. Williams: Of course, by the same token they will criticize this government as being supposedly in the hip pocket of big management, which is nonsense. We are prepared to look at all three elements. We are prepared to look at our own house and clean it where necessary. We are prepared to chastise big industry where it needs to be chastised. We are prepared to enact legislation if labour unions are misbehaving.

If I might exemplify the point, it wasn't too many months ago that I introduced a bill during the private members' hour. It was Bill 169 and that bill was an amendment to the Labour Relations Act. That bill was designed to deal with a segment of the labour community which our friends in the socialist party have forgotten about. They are so enamoured and taken up with satisfying the top management within the labour union movement they forget sometimes about the rank and file.

Mr. Philip: Even the Minister of Labour voted against your bill.

Mr. Williams: I brought a bill in to deal with an area that had been neglected for so long and I feel it has been neglected by all parties. It was a bill that I felt would have given a fair shake to the rank-and-file working man who is a member of one union or another.

I felt there were areas where we could be pulling together existing legislation from other provinces and from the federal government that would bring certain security to the voting as to whether or not to have a strike within their union or whether it had to be with regard to financial accounting to the rank-and-file union members, or whether indeed the moneys raised from the union members to support the union activities should be contained as far as the amount of dollars that could go out of this country was concerned, rather than being invested in our country to ensure more Canadian jobs here. These were real, legitimate concerns I had for the rank-and-file union workers.

Our socialist friends over there had apoplexy. I have never seen them become so uptight. They were jumping up and down, they almost lost reason that day. It was un-

believable. I have never seen such a performance in all my life. They feel that their particular sector that they ignore continually is free and clear of any wrongdoing in any way that would contribute to any problems we may be experiencing in our society.

The problem in particular that I brought up in that bill had to do with the fact there wasn't sufficient accountability from the large unions, large and small, to their members. It is quite true that even our own Minister of Labour was sceptical whether we needed the type of legislation that existed federally to file detailed returns, as do corporations about their financial wellbeing and their financial activities to provide some degree of accounting to the shareholders. This may be done through filings with the Ontario Securities Commission or through the federal government on taxation matters, whatever it may be. I felt there truly was a need for this type of accounting.

I mentioned the fact of recent experiences in the United States where major swindles had taken place within the unions, which has unfortunately given the union movement there a black eye. It is a fact of life in every industry, whether it is the legal profession, the medical profession or some other occupation, that eventually there could be a bad apple in the barrel and it reflects on the whole industry or the whole profession, whatever the case may be.

I had the audacity to suggest this could even possibly happen within the labour movement. The cries of outrage were unbelievable. I have never seen such a performance. In particular my friend from Scarborough-Ellesmere (Mr. Warner) was just about prostrate on the floor. He couldn't believe what was being said.

[12:30]

Even the members of this party, I must admit, were sceptical as to whether such a thing could ever happen. It was on November 23, 1978, I spoke to that bill. I stood alone in support of it and I would have no hesitation in introducing it again and debating it again in this House, because I think it deserves much more consideration than it got that day. It was interesting that within three months of that date, a headline on February 6 in the Toronto Star read, "Mail Union Audit Hunts \$150,000 In Lost Funds."

There wasn't a comment in the House about that particular incident. What brought it about? Simply this, Mr. Power who is an executive of the local involved, said: "There was strong evidence the funds had been fraudulently and systematically misappropriated."

That is the very thing I was speaking to in my bill. There could be cases where persons who wanted to take advantage of their positions could indeed, if they were of that state of mind, perpetrate a fraud and cause an event to happen that would work against the wellbeing of those members who have placed their trust in their union leaders and have given their weekly pension dues to those union leaders to administer properly and invest for them.

Mr. Ziemba: I am glad you are a strong supporter of the letter carriers' union.

Mr. Williams: They may find all of a sudden, and it's no reflection on the union per se, but even within the ranks of the union executive there may be a misguided individual who could commit this very type of thing. It's happened in the United States. I was pointing it out that day in the debate and I said this country is not completely immune from that type of situation possibly happening here. It did; it happened three months after I spoke to my bill. The union leader clearly stated it: "It appears that the funds have been fraudulently and systematically misappropriated."

It may be, even with the financial filings that I'd asked for and as existed in federal law, this fraud still would have been carried out. It's alleged this has happened, and I'm not suggesting it has been proved because it's still before the courts as far as I know and it's certainly under investigation. There was sufficient evidence at that time to arouse the concern of the union officials and acknowledge there appears to have been some misuse of union funds, \$150,000 of hard-earned money of the rank-and-file members of that particular letter carriers' union. The money had been misappropriated and apparently misused.

We'll soon know the final outcome of that. I suggest to the House that is only the tip of the iceberg. Why is it the members of this House are not prepared to do what they can do to further ensure the security and wellbeing of the rank-and-file workers in the union movement throughout the length and breadth of this province?

I'm suggesting that type of legislation is entirely realistic and would assist them and accommodate them and provide that measure of security that heretofore they haven't had. They may think they have it, but they don't. I think it's regrettable this situation came up, but it simply went to prove my case. I felt I had to refer to it today to show this bill was not unreasonable and was not irresponsible, as some of our friends suggested that day in fits of hysterical rhetoric.

Mr. Ziemba: You would ask for public disclosure of union funds but not corporate funds.

Mr. Warner: You should be ashamed.

Mr. Williams: Mr. Speaker, as I say, I had no regrets about introducing the legislation, and I hope in due course similar legislation will be given consideration by this House.

It brings me back to my main point that members of the third party take this type of attitude towards budgets where they don't seem to grasp the realities of the financial needs and realities of raising taxes from the community. As long as they continue to ignore one sector of the triumvirate that really governs the wellbeing of the provincial economy, then I don't think they can be considered as creditable.

They can come forward with all the social programs they want, but without putting a price tag to it they're continuing to misrepresent the simplicity of implementing programs, many of which they speak to but which we have, in the past, talked about and have openly wanted to do ourselves but have said, quite frankly, there's no way we can afford to do them at this time. One example has been universal dental care. That's a program this government has had under consideration for a number of years and the Premier (Mr. Davis) himself has said it will come in the full passage of time, the sooner the better, but it will take time to bring forward such a program.

Mr. Ziemba: Get one started.

Mr. Williams: It is not one that can be purchased overnight and that the people of this province or this government can afford, but with these people it's a "put it in tomorrow" type of attitude. It's just unrealistic.

Mr. Warner: You wouldn't even start with dental care for children.

Mr. Williams: For these reasons I can better appreciate the mentality of the members in the third party.

Mr. Warner: Take a little visit to Saskatchewan.

Mr. Williams: What really concerns me at times is that even three of their more responsible members sometimes get involved in dialogue and rhetoric and get caught up in their social program.

Mr. Ashe: Who are they?

Mr. Williams: They get encouragement, of course, because all of their supporters believe in that socialist philosophy that you can buy all of these services with air; that everything will operate well and that you can run—

Mr. Ziemba: Just the money you give Judy LaMarsh.

Mr. Williams: —the automobiles on air and you can heat homes and provide the energy needed to turn the wheels of industry on air. These are the kinds of airy-fairy approaches that just don't stand up under careful analysis and consideration and the public understands and appreciates that. You can fool some of the people some of the time, as they say, but you can't fool all of the people all of the time.

So in a way I feel sorry for the third party when they take such an extreme position towards these budgets and in their attitude towards the private sector. That's the hand that feeds them and they can't put all their eggs in one basket, as the Hydro critic from the official opposition has been saying about the Hydro program over the past few days.

Having looked at this budget, there are three areas that I would really like to zero in on. One I would like to speak about very briefly brings me back to the business of developing a positive attitude within the private sector and the need for government to be responsive to the private sector. What has been of great concern to me, even earlier today in the House session during the question period, is an attitude that I understand coming from the third party, but now the official opposition is starting to get on this bandwagon of attacking the multinationals; of crying wolf about investment by foreigners in this country; that it's not good for the well being of the province; that we can go it on our own and let's get the big giants off our back and, as far as Inco is concerned, let's just completely take over.

Mr. Warner: The sooner, the better.

Mr. Williams: This is the kind of attitude that doesn't foster confidence and wellbeing within the private sector, although it is great stuff for home consumption. I have occasion to go to the States from time to time to talk to businessmen, and while that home-consumption stuff is great and they love reading about it in the press, it goes beyond our borders. People who are looking objectively at this province read some of the rhetoric and the sabre-rattling and the flag-waving that goes on and I can assure you, Mr. Speaker, in talking to some of the people, I find their response is, who needs that kind of aggravation and who needs that kind of hassle? We have got lots of opportunity—I am speaking about the bankers and the business people within the—

Mr. Ziemba: Who needs them?

Mr. Williams: That's the type of attitude I have been talking about for the past half hour, Mr. Speaker.

Mr. Ziemba: They don't do any work.

Mr. Williams: That's a classic response that you will get from our socialist friends. Who needs them?

Mr. Ziemba: They just live off working people. You are talking about the parasites—the parasitical element.

Mr. Williams: This is a real concern, particularly because the official opposition seems to be pushing this at the moment. They are doing it a little more carefully, but nevertheless they are questioning foreign investment—whether or not it is in our best interests. These foreign investors don't need us; we do need them. I think it is important that we regulate them in a responsible way when they come in, to ensure their investments are going to benefit the country.

Mr. Ziemba: Give him a job at the US embassy.

Mr. Williams: We need industry in here.

Mr. Ziemba: Tell us about how you control Inco.

Mr. Williams: There is the simplistic approach that is being taken by our socialist friends; I was reading it in one of the federal campaign brochures that came around—"Canadian ownership means Canadian jobs."

Mr. Ziemba: Right.

Mr. Williams: Everything implied in it is that if the industries have not been financed or have not been established here by foreign enterprise, somehow we will be better off. It implies that if they did bring investment here, they should go home and leave it to us to run all these operations.

Mr. Ziemba: That is what the Canadian Federation of Independent Business says too. That is what Mr. Bulloch says. Are you saying that Bulloch doesn't know what he is talking about, John?

Mr. Williams: That is almost an irresponsible attitude to take.

These business people get an ongoing responsible report on all activity that is going on, not only within their own country. I am speaking of the United States in particular, but this happens in Japan and in Germany and with the other major investors in our country. They keep a very close eye on what is happening. They know Ontario is the industrial centre of Canada and they know that as Ontario goes, so goes the trade and commerce of this country in large

measure. We have a very important responsibility to encourage these people within reasonable guidelines. We should attract, not deter, those who might be interested in coming here.

We are 22-odd million people strong in a country that is the second largest in the world, I guess, geographically. To the south of us we have a country that has 10 times the number of people and resources. They have had confidence in this country; they have seen the potential benefits here; the wealth they can earn for their shareholders, as far as the private companies are concerned; and also as far as building and staying in Canada and providing jobs to the local people.

I haven't heard anyone here do a count on how many companies here are truly Canadian and what percentage of the labour force they employ as compared to foreign corporations. I am not restricting it to the United States because that country is always the whipping boy when we turn to the multinationals. They seem to be considered the lowest on the totem pole and they are always good for use as a whipping boy. Yet it has been through American ingenuity and know-how that this country has come in large measure to appreciate the standards of living that we enjoy today.

Mr. Ziemba: Why don't you run for office in the United States, John?

Mr. Williams: It is through their technology and know-how that we have been able to capitalize on it and to learn from it and to develop our own strategies and technological know-how. Were it not for our neighbours to the south, we wouldn't be enjoying these standards today. Yet I hear in the House today, and in days gone by, this continuing attack on the multinationals and how they are down-grading our society and locking us in—

Mr. Ziemba: Not paying their taxes.

Mr. Williams: —and leaving us dangling without people being gainfully employed and so forth.

There are ways and means of regulating and controlling these industries through company law legislation and through other forms of legislation. Our legislation lets them come and be good corporate citizens, as the vast majority of them already are. But it's wrong to scare off foreign investment and to let people know we can go it on our own and to say, "We don't need your type of investment. Somehow you are going to do harm to us. While you might benefit from your investment in Canada, you are going to hurt

us." That type of attitude just doesn't accord with responsible consideration.

[12:45]

To take it to the extreme, not only has it affected the multinationals and the foreign investors and the foreign companies, but our own domestic companies are finally starting to realize that yes, they have had some of this hassle here and some of the confrontation and some of the anti-private-sector attitude, to the point where they have decided: "Look, maybe we are not welcome in our own house; maybe we should go elsewhere." In fact they have. They have not gone away mad, they have just gone away.

Some of the largest corporations that are in the field and have the highest labour content, namely the development and building industry, are not here any more, they are down in the United States building. They have never had it so good. They have gone away because of frustrations, whether it be because of existing legislation—I will tell you, Mr. Speaker, quite frankly I think the land speculation tax did a great deal of harm in this province. The repeal of it by this government could not have come fast enough. I appreciate that it had to be done at the time under the given circumstances, but I do not think we should have withdrawn it faster than we did. It had a tremendous negative impact on those who were considering investing or setting up shop in this country.

There is no question the rent control legislation, while we felt it had to be done and it has benefits to the people who cannot afford their own housing and have to have rental accommodation, it too has had some negative impact, as I guess was verified by the Ontario Economic Council, which felt that rent controls should go because they have completely dried up the rental accommodation building sector.

I am not sure that we have moved in that direction, but I think the new legislation that is coming forward is going to provide a much more suitable climate that will continue to protect the concerns and needs of the tenants while perhaps providing a greater degree of latitude than has existed under the present legislation—if the new legislation ever comes forward out of committee.

It is somewhat discouraging to see that our own corporations and companies, not only those in the land development sector but in other areas as well, have seen fit to go abroad to really prosper and do well; not only earn reasonable returns for their shareholders but to grow in every sense of the word.

I have spoken to some of the businessmen down in the United States and they are just befuddled. They cannot understand how so many Canadian companies have come down there and have done so well and are in fact taking leadership in the marketplace down there. I will be speaking to that part of the activity of companies that have gone down there in the land development field later in my budget remarks, but it is a genuine concern.

I think we have to be a little more careful in the comments we make in this House about foreign investment and foreign capital. I have no hesitation in agreeing with members that there must be a mechanism or a vehicle for ensuring that those who do come to our country and have a genuine feeling of support for our country come in a way and fashion that will be beneficial to our economy as a whole, and to all of our citizens, and that it will ensure job opportunities and will contribute in a very significant way to our economy.

As I said a few moments ago, some of these remarks that are made are very dramatic and they are very sensationalistic and they get the headlines in the local papers. It is great for home consumption, but it is hurting our image abroad, it really is. I think we have to be a little more careful. There is lots of room for constructive criticism on ways and means of improving the system, but to simply turn around and in effect say to those foreign business people who are looking at us, "Go away"; or, "If you are coming here we are going to control you so tightly that before you get through the front door the conditions of coming here are so onerous why bother with it at all?" That's the type of attitude I don't think we want to see projected.

If I picked up a copy of Hansard for one day when the member for High Park-Swansea (Mr. Ziemba) was speaking and sent it to the United States it would probably turn away 10 or 20 industries that are considering coming into the province because of the rhetoric and extreme views and attitudes expressed in that official document of this House.

While we are going through these difficult economic times, and I think our budget has been designed to recognize this and has been designed to assist the private sector, I would hope with the support of the responsible members within the opposition ranks—and I look to the official opposition party for that type of support—we can assist the private sector to come through these difficult times. There are better economic days ahead that have nothing to do with the activities of this one government or the federal government,

but that will bring the world out of its present economic woes.

Those are some of the concerns I have with regard to this government supporting the private sector in the fashion outlined in the budget. It is a realistic and responsible approach, and one I know has been applauded by the private sector everywhere.

There is another important area I would like to get into. It is an issue members from the opposition have been speaking to during the budget debate, and I think it deserves discussion and debate. It is the one that deals with Ontario Hydro and the whole matter of energy for the people of Ontario. It has to do with the nuclear problem and the safety component; it has to do with our long-range forecasts and the responsibility of this government as a matter of policy to support the initiatives of Ontario Hydro.

In the budget debate, as in the select committee on Ontario Hydro affairs, I think Ontario Hydro from time to time has perhaps been used as a whipping boy and has also been subjected to heated rhetoric and emotional charges as to a willingness or otherwise to be totally accountable to this government.

Mr. Warner: They're out of control.

Mr. Williams: Because of this, I think it is important another perspective be brought to that part of the debate. Members from both opposition parties have seen fit to speak to it.

One of the things that really concerns me about the debate occurred in very recent days. It has to do with the image being created in the public's mind because of some of the statements or misstatements made, either in committee or in this Legislature, with or without intent, with regard to the willingness of Ontario Hydro to be accountable to this government, and through this government to the people of Ontario.

I will quote from Hansard of a day or two ago to make my point, and from there I would like to elaborate.

It was interesting that the member of the Legislature whose remarks in the Legislature I'm going to quote had in effect to be brought into line by a member of his own party, because indeed he was, I suggest, giving an inaccurate impression of Ontario Hydro's willingness to co-operate with this government, and with the select committee on Ontario Hydro affairs in particular.

I'm going to quote from Hansard, the report of the afternoon sitting on Tuesday, May 1. I would like to read this comment into Hansard and proceed from there. The leader of the third party asked this question of the Minister of Energy (Mr. Auld):

"How can the minister expect the public to make informed judgements about nuclear energy, a very serious problem now in the province of Ontario, when Hydro has been so reticent about providing the public with both accurate and full information related to nuclear safety?"

He goes on to add: "In the spirit of freedom of information, will the Minister of Energy direct Ontario Hydro to make a full revelation of all material related to nuclear plant safety in the province of Ontario, without constantly having the information dragged out of them?"

That's the type of attitude that has been engendered by that type of statement. I think it conveys to the public of Ontario a suggestion that somehow Ontario Hydro and its officials are being dragged screaming and kicking before the select committee—

Mr. Ziemba: Aren't they?

Mr. Williams: —to testify under oath, and that they have been holding back on the operation of Ontario Hydro—

Mr. Warner: You missed the speech of the member for Prince Edward-Lennox (Mr. J. A. Taylor).

Mr. Williams: —and that it's been a cloak-and-dagger affair that the public of Ontario has been unaware of for all these many years.

It was interesting that following that statement the chairman of the select committee on Hydro affairs felt compelled on May 3, two days later, to issue a press release to the select committee. I'm going to read that press release into the record because obviously that type of statement was a matter of great concern to the chairman of the select committee. That wasn't the only one, but I think it dramatizes the situation, because that type of question was used for dramatic effect and for that very purpose.

Mr. Deputy Speaker: Just in case it's a long press release, I wonder if the member wants to continue or adjourn the debate now.

Mr. Williams: I think it will take a minute or two to read it into the record. Perhaps I could get it on the record and then I'll adjourn the debate—it will take about a minute and a half—so that the two statements are together in the one copy of Hansard. Then I'll continue on Monday.

The chairman issued the following statement: "If public concerns regarding the generating of nuclear power in Ontario are to be dealt with effectively, there must be the fullest possible disclosure of documents relating to it. Otherwise, the suspicion that legitimate

public information has been withheld will continue.

"There is a widespread lack of information as to what this committee decided last Friday in this connection. For the benefit of the public and the media, if not the committee members, let me emphasize what was decided.

"By unanimous vote of the committee, it was decided that we will seek, for our consideration, each and every document relating to nuclear safety. Hydro will indicate to us which of those documents they feel should not be released to the public, but the committee itself will make the decision as to which, if any documents, are not to be released.

"The mechanism for reaching this decision was also decided by unanimous vote of the committee. The documents will be considered, in the first instance by our steering committee. If there is a unanimous agreement in the steering committee that a document

should or should not be released to the public, that decision on behalf of the committee will stand.

"If, however, there is not unanimous agreement in the steering committee, then that document or documents will come to the committee as a whole, meeting in camera, for a decision.

"For those who still harbour a suspicion that the committee will not get all relevant documents, may I remind you that in all the committee hearings so far Hydro has provided the committee with every document and all information which we have sought. I am confident that that full disclosure will continue in the future, and as chairman of the committee it will be my intention and obligation to see that it is so."

Mr. Warner: It's a good thing we raised it.

On motion by Mr. Williams, the debate was adjourned.

The House adjourned at 1 p.m.

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SPEAKERS IN THIS ISSUE

Ashe, G. (Durham West PC)
Breithaupt, M. (Oshawa NDP)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Cooke, D. (Windsor-Riverside NDP)
Davidson, M. (Cambridge NDP)
Davis, Hon. W. G.; Premier (Brampton PC)
Davison, M. N. (Hamilton Centre NDP)
Drea, Hon. F.; Minister of Consumer and Commercial Relations (Scarborough Centre PC)
Eaton, R. G. (Middlesex PC)
Edighoffer, H.; Deputy Speaker (Perth L)
Elgie, Hon. R.; Minister of Labour (York East PC)
Foulds, J. F. (Port Arthur NDP)
Haggerty, R. (Erie L)
Laughren, F. (Nickel Belt NDP)
Lupusella, A. (Dovercourt NDP)
MacBeth, J. P.; Acting Speaker (Humber PC)
MacDonald, D. C. (York South NDP)
Maack, Hon. L.; Minister of Revenue (Parry Sound PC)
Makarchuk, M. (Brantford NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. (Bellwoods NDP)
McMurtry, Hon. R.; Attorney General; Solicitor General (Eglinton PC)
Miller, Hon. F. S.; Treasurer, Minister of Economics (Muskoka PC)
Miller, G. I. (Haldimand-Norfolk L)
Newman, B. (Windsor-Walkerville L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K.; Minister of Community and Social Services (Kingston and the Islands PC)
Parrott, Hon. H. C.; Minister of the Environment (Oxford PC)
Peterson, D. (London Centre L)
Philip, E. (Etobicoke NDP)
Reed, J. (Halton-Burlington L)
Riddell, J. K. (Huron-Middlesex L)
Ruston, R. F. (Essex North L)
Sargent, E. (Grey-Bruce L)
Smith, S.; Leader of the Opposition (Hamilton West L)
Stephenson, Hon. B.; Minister of Education (York Mills PC)
Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)
Swart, M. (Welland-Thorold NDP)
Van Horne, R. (London North L)
Walker, Hon. G.; Minister of Correctional Services (London South PC)
Warner, D. (Scarborough-Ellesmere NDP)
Wildman, B. (Algoma NDP)
Williams, J. (Orion PC)
Ziemba, E. (High Park-Swansea NDP)



No. 46

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Monday, May 14, 1979

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



BY ORDER

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LEGISLATURE OF ONTARIO

MONDAY, MAY 14, 1979

The House met at 2:05 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

WHITE PAPER ON PLANNING

Hon. Mr. Bennett: I would like to bring the House up to date with regard to the white paper on the Planning Act and the draft legislation thereto. I am pleased to announce that we anticipate having the white paper in the hands of members around the end of this month. In preparation for release to members and to municipal officials, I am announcing today that we will be holding regional meetings in eight locations across Ontario to outline the white paper and the draft legislation.

In order to undertake a meaningful dialogue with municipalities, the regional meetings in southern Ontario will be aimed at the heads of councils and certain designated officials. In the three northern meetings, additional groups will be involved. Right after regional meetings we will start a series of smaller seminars or meetings at which the details of the white paper and its implications will be outlined to municipal and planning board staff, committees of adjustment, land division committees and many others.

The eight regional meetings will be held in Ottawa on June 8; Sault Ste. Marie on June 12; Dryden on June 14; Thunder Bay on June 15; Toronto on June 19; Kingston on June 21; London on June 26 and Barrie on June 28. Details on the meeting sites will be sent to all members' offices in the very near future. In selecting these committees for the first level of regional meetings, we attempted to secure locations that would be the most convenient to all concerned.

The white paper, which will contain the government's position on a new planning act, is important. It will affect every property owner in the province, from the farmer who wants to sever a portion of his farm for a son or daughter to the urban dweller who seeks security in the way his neighbourhood will be protected and to the large developers developing in major cities. That is why we have taken so much care in finalizing the

white paper and why we intend to undertake a very extensive distribution and education process in regard to developing the new Planning Act.

PESTICIDES LEGISLATION

Hon. Mr. Parrott: The Ontario government is actively deregulating and simplifying the structures and functions of government with the objective of improving the delivery of service to the public and to make it easier for the individual to do business with this government and the civil service.

In accordance with this customer service program, I would like to introduce the Pesticides Amendment Act for first reading. The purpose of this bill is to eliminate the Pesticides Appeal Board and to incorporate its responsibilities with those of the Environmental Appeal Board. It is my intention to retain the specialized abilities and expertise of the members of the Pesticides Appeal Board by appointing them as members of the Environmental Appeal Board.

Under this amendment the Environmental Appeal Board will hear appeals from decisions of the director under the Pesticides Act which normally relate to matters of licences or permits concerning pesticides. The procedures for these appeals will remain unchanged at least for a period of time. At some future date, these procedures may be amended to parallel other appeals to the Environmental Appeal Board.

In conclusion, I would like to recognize the substantial contributions in time and effort which the members of these two boards have made in the interests of environmental protection in Ontario.

RADIATION FROM X-RAYS

Mr. Cassidy: On a point of clarification, last week in response to questions, the Minister of Health (Mr. Timbrell) stated that the study by Dr. Kenneth Taylor about the risks of X-rays had been funded by the ministry. He said that study was prepared on a grant from the Ministry of Health to look at the situation. The next day the Premier (Mr. Davis) said: "... it was the Ministry of Health that initiated a great deal of this discussion and initiated the report."

We have been in touch with the Toronto General Hospital Foundation, which funded Dr. Taylor's report published in the Canadian Association of Radiology journal in March of this year, and they have told us explicitly there was no provincial government funding at all for that particular report. I stand to correct the record, because the government is incorrectly claiming they had a part in bringing this matter to public attention.

Mr. Nixon: On a point of order Mr. Speaker: What is the point of clarification and would you examine that and advise us? I know from time to time a private member wants to make a speech on a matter such as this and if we can do it on a point of clarification perhaps it ought to be uniformly available.

Mr. Speaker: I don't think there's any provision in our standing orders for anything other than a point of privilege or a point of order. However, there are precedents for a member getting up and simply correcting the record. I leave it open to all the honourable members as to what kind of point they would like to call it, but there is no such thing as a point of clarification per se.

ORAL QUESTIONS

ROYAL ONTARIO MUSEUM

Mr. S. Smith: I was going to ask a question of the Minister of Health. Is he going to be here later? I'll ask a question of the Minister of Culture and Recreation.

Could the minister tell us some facts with regard to the Royal Ontario Museum? Can the minister tell us whether when he or his predecessor—I'm not sure which it was—approved the money for the expansion of the museum and the courtyard area, he knew it was the intention of the museum people to close the Royal Ontario Museum for a period of a year or more? Did he know when the money was approved for the museum expansion that was planned as part of the expansion process?

Hon. Mr. Baetz: Mr. Speaker, as I guess most members of this Legislature know, if they read the press at all, there have been many very conflicting reports and allegations made by a number of people from the Royal Ontario Museum, including the question as to whether or not and for how long, if at all, the museum should be opened or closed. Because of this rather confusing range of reports coming from the Royal Ontario Museum, I've had a number of meetings

and discussions with the chairman and with the director of the museum.

I have now asked the director and the chairman of the board, who is responsible for the day by day management of the Royal Ontario Museum, to provide us with a very detailed report on the expansion plans of the museum, including whether it will close or not and for how long it will close, and when, and so on. Until such time as I have received that kind of report from the chairman of the board, who is responsible for the management of the museum as I have said, I'm not prepared to draw any conclusions or make any further report to this House. I think it would be premature. It would be conjecturing.

Frankly, I'm aware of the situation, I'm aware of the conflict of reports, but until such time as we've got the information we really need and what's happening can be demonstrated exactly, I don't wish to report further.

Mr. S. Smith: Mr. Speaker, the question was: Did the minister know it was intended to close the museum? I take it from his rambling answer, and since he's waiting for reports, he did not know it was the intention to close the museum for a period of a year or more during the renovation.

May I ask by way of supplementary then, whether the minister approves of the idea the museum should be closed? Does he not recognize the importance of that institution from the point of view of tourism and from the point of view of certain educational programs? Does it make sense to the minister that renovations should go ahead in a manner that would in fact, close the entire museum for a year or more?

Given the view of the curators that the museum may not even reopen, depending on the circumstances, will in fact, the minister order the audit which has been requested by those somewhat anonymous people?

[2:15]

Hon. Mr. Baetz: As the Leader of the Opposition has indicated, the letter from the curators was an anonymous letter, and obviously I cannot respond to an anonymous letter.

Mr. S. Smith: You would only be replying in kind if you did.

Hon. Mr. Baetz: I would only reiterate that until such time as we have received a report from the management that is responsible, which is the appointed board of directors of the museum, I am not prepared to say here what course of events will take place.

To reply explicitly to the honourable member's earlier question, we did not know; we had not been advised that the museum would be closing down for a year or a year and a half until we read these conflicting reports in the press. Frankly, until such time as we have had the report from the management, we will not be able to answer.

Mr. Grande: A supplementary question, Mr. Speaker: Does the minister not realize that it is his ministry's responsibility to ensure that, on a yearly basis, that information is gathered and comes to the ministry from the museum, or from any other cultural institution that is publicly supported?

Does he not also realize that it is a month after the first revelations in the social development committee, which showed that the administration clearly gave misleading financial information to the committee, and it is about time the air was cleared and he began to take action to save the museum?

Furthermore, does the minister have any knowledge of the impending meeting at the museum on Thursday, May 17, at which the staff of the museum is going to call for a no-confidence vote in the administration of the museum? Is it not clear to the minister that he should act now?

Hon. Mr. Baetz: Mr. Speaker, there is an implicit error in that question, in that it assumes we have not acted until now. Indeed, we have acted, and we have acted on many different occasions. But I go back to the point that, until such time as the board of directors of that museum is prepared to report to us, it would be premature and precipitate for us here to draw any conclusions or to make any judgement on it. It will come in due course.

I would hope that the honourable members opposite would exercise a little patience. After all, the fiscal year of the Royal Ontario Museum, unlike the fiscal year of this government, begins July 1. I have a feeling that if the honourable members opposite would exercise a little patience and be a little less political about this, perhaps all of us could help the Royal Ontario Museum. We are all committed to maintaining this as one of our great institutions.

Mr. O'Neil: A supplementary question, Mr. Speaker: Since the province has decided to give approximately \$12.75 million as an outright expansion grant and will be providing another \$10 million in Wintario funds, as well as likely being required to give further funds, does the minister not feel that he should have had a firmer grasp upon what was going on over there, especially with all

the appointments that his government has made to that board? The minister should not be waiting for an answer. He should be prepared to give us, today, the reasons why they are in the predicament that they find themselves in.

Mr. S. Smith: He's going to give them more than \$20 million, and he didn't even know they were going to close.

Hon. Mr. Baetz: Mr. Speaker, I realize there may be some members opposite who would immediately disregard the duly appointed and elected board of directors, which is responsible for the operation of that museum.

Mr. Sweeney: Who appointed them?

Hon. Mr. Baetz: I certainly will not make any judgement as to the competence of that board until the directors have been given the time and the opportunity to provide us with the data and the facts we need. Anything before that is premature.

Mr. Sweeney: You don't know any more about the museum than you did about Hydro.

Hon. Mr. Timbrell: Mr. Speaker, on a point of order: As soon as the copies arrive, I will have a statement to make—and I will ask the House at that time to revert to statements—on the question of X-ray procedures.

STATEMENT BY THE MINISTRY

POLIO

Hon. Mr. Timbrell: In addition, if I may, I would like to—I don't have copies of this because the information has just come to me this morning—inform the House we have two suspected cases of polio which have not, at this point, been lab confirmed. I emphasize that, they have not been lab confirmed. They have been admitted to Victoria Hospital in London. I am informed by staff they are clinical cases and confirmation is unlikely for several days.

Mr. Speaker, the two persons in question are related, they are unmarried and they are members of the Amish community in Middlesex county. They have not been immunized and they have not, I am told, been in contact with members of the Amish community in Pennsylvania, where last week we had word two cases had been confirmed.

The associate medical officer of health for Middlesex is following up on this and checking all of the contacts of these individuals who, as I say, are related and have not previously been immunized.

I have asked for an immediate update on vaccine supplies which my staff assure me

are; in fact, quite adequate. Once I have those figures I will report those to the Legislature and, as well, I will keep the Legislature and the public informed on this matter.

Mr. S. Smith: Mr. Speaker, my second question was on the subject of X-ray problems and radiation, and I will await the statement by the minister.

ORAL QUESTIONS

(continued)

LAKESHORE PSYCHIATRIC HOSPITAL

Mr. Cassidy: I have a question to the Minister of Health, not about X-rays, but arising out of the situation at Lakeshore Psychiatric Hospital.

In view of the very serious concerns that have been expressed by the medical staff of the Queen Street Mental Health Centre regarding the lack of planning and overcrowding as a result of the minister's decision to close Lakeshore Psychiatric Hospital; and in the light of the testimony over the course of the past few weeks that Lakeshore is not a firetrap; that its outpatient programs are threatened by the closing and the mental health services in Lakeshore's catchment area will not be able to cope with the closing; will the minister now admit publicly that he made a mistake in ordering the closing of Lakeshore? Will the minister now undertake to rescind the order to close Lakeshore Psychiatric Hospital and to maintain its services until there is a conclusive study done on how Lakeshore should be rebuilt?

Hon. Mr. Timbrell: With respect, I think the honourable member would be wise to wait until the head of the medical advisory committee has appeared at the standing committee this afternoon. My staff met with the medical advisory committee this morning and discussed their concerns, as outlined in that letter.

As I understand the report of that meeting, I think the members of the medical advisory committee were not in fact saying, "Don't close Lakeshore," but expressing concerns, valid concerns, about the patients who are, after all, their first and our first priority. I will be at the social development committee this afternoon and I suggest we wait until the head of the MAC has had a chance to clarify their concerns, and their approach. Then I will discuss it with the social development committee.

I think, with respect, the member is being rather selective in the testimony to which he is referring, because if he looks at the progress of the testimony over the last three

weeks, it has in fact been, and I suppose the evaluation would have to be it is equivocal. There have been strong arguments advanced on both sides.

Mr. Lawlor: You don't read the same testimony.

Hon. Mr. Timbrell: Oh, no. Listen, I have followed—

Mr. Cassidy: You could have put your experts up.

Hon. Mr. Timbrell: Well, that may, as much as anything, be a function of how many people were invited. The arguments have been advanced strongly on both sides of the question and this is a matter of—

Mr. Cassidy: You could have offered the studies made.

Hon. Mr. Timbrell: —serious importance, and we certainly attach serious importance to it. I will be appearing at the social development committee this afternoon, following the discussion with—

Mr. Warner: Admit you made a mistake.

Hon. Mr. Timbrell: —the head of the MAC. I may say, too, I have asked the administrator and the medical director of Queen Street to stand by at the committee this afternoon to answer any questions because, of course, the members will recall their testimony of a few weeks ago.

Mr. Cassidy: Mr. Speaker, I want to bring to the minister's attention the fact the administrator of the Queen Street Mental Health Centre testified that neither at Whitby, where he had previously been administrator, nor at Queen Street, was he ever consulted about the difficulties that would be created with the closing of the Lakeshore Hospital.

I would also bring to the minister's attention, as well, the fact the McKinsey report sat on his desk for a year—

Mr. Speaker: Order.

Mr. Cassidy: —and was then rejected.

Mr. Speaker: Are you asking if the minister is aware?

Mr. Cassidy: Mr. Speaker, what I want to ask the minister to reply to is this: When the medical staff of Queen Street Medical Health Centre states it is impossible to state that the closure of Lakeshore is wise—

Mr. Speaker: What is the question?

Mr. Cassidy: —how can the minister make that reply, when the medical staff raises very serious long-term questions, both about overcrowding and about the quality of care at Queen Street, if this closure goes through?

Hon. Mr. Timbrell: Again, I think this is the sort of thing which should be done at the committee because even if one looks at the press report of that letter in this morning's paper, by the time one gets from the first page to the second, one is getting a different slant on the meaning of the letter.

Mr. Lawlor: The minister showed a little flexibility on the first page and became obtuse on the second.

Hon. Mr. Timbrell: This is one case where it pays to read the whole thing. The committee will benefit greatly from having before it this afternoon the chairman of the MAC. The administrator of Queen Street, as I said, will be standing by and prepared to answer questions. These two gentlemen are ultimately responsible for that facility, in the final analysis. When the two latter gentlemen appeared, it was made clear that of course there would be some problems in the transition stages, but that will be explored this afternoon.

Mr. Cassidy: You have imposed a shotgun marriage and mental health patients will suffer.

Hon. Mr. Timbrell: It has had a very broad consideration at the committee. They have heard the entire range of opinions from one pole to the other and everything in between. I will be pleased to take part in that discussion this afternoon with the committee, after they have had a chance to talk to the author of that particular letter and to clarify for themselves exactly what the position of the MAC is.

Mr. Lawlor: Supplementary, Mr. Speaker: I suppose the only supplementary is, is the minister aware? I could stop there but I won't. That was a pretty trenchant and damning statement. If I may just refer to the newspaper article, the letter says: "The Health ministry failed to make proper plans—"

Hon. Mr. Timbrell: On a point of order: All of this is going to be considered at the social development committee this afternoon. It is going to be considered by the members over the next day or two as they consider motions and the preparation of a report.

Mr. Duszta: Why can't we talk about it now?

Mr. Warner: The minister does not want to answer the question. He is avoiding the issue.

Hon. Mr. Timbrell: I am quite prepared to discuss it this afternoon with the honourable member who is a member or a substitute member of the social development com-

mittee. Is that not really the forum in which to consider this and the preparation of a report?

Mr. Lawlor: The minister, being a politician like the rest of us, knows that the press is not at the meetings in great abundance. This is our opportunity to—

Mr. S. Smith: To play to the gallery?

Mr. Breithaupt: Maybe they will show up today.

Mr. Speaker: Place a question.

Mr. Lawlor: I was referring to the total lack of planning. The rub is with respect to unilateral closing. The letter says that is part of the problem. The minister has made no provision for ensuring that patients get proper treatment at a new location. He loads the hospital beds. All he does is knock down.

Mr. Speaker: Order.

Mr. Lawlor: He does not know anything about treatment.

Mr. Speaker: Does the minister agree?

Hon. Mr. Timbrell: No.

Mr. Lawlor: Is the minister aware of that and of meeting the future needs of the population in the Lakeshore area?

Hon. Mr. Davis: Your syntax is not what it used to be.

Hon. Mr. Timbrell: I am aware now of the member's interpretation of that newspaper article. Again, I suggest that in the interests of meaningful discussion about a very serious matter we carry on this discussion at the social development committee this afternoon. After the committee has had the opportunity to question the author and to talk some more with the administrator and the medical director, who are ultimately responsible for the Queen Street facility, then we can discuss how we are going to go about maintaining existing outpatient programs and how we propose to expand to more outpatient programs. All of these things will be considered this afternoon.

Mr. Speaker: The Minister of Culture and Recreation has the answer to a question asked previously.

HOCKEY VIOLENCE

Hon. Mr. Baetz: Mr. Speaker, in response to a question raised in this House on May 7 by the member for Sudbury East (Mr. Martel), dealing with hockey violence and the initiatives taken by my ministry and the Ontario Hockey Council to ascertain the attitudes and opinions on this subject by the parents of Ontario amateur hockey players,

I would like to say I am pleased this question was raised. I have been planning to make an interim report to the House and welcome this opportunity.

[2:30]

The honourable member raised a number of issues to which I would like to respond. First, he stated that Dr. John Elliott, assistant professor of sociology at Laurentian University, had questioned the need to send questionnaires dealing with hockey violence to some 100,000 parents of hockey players. He felt that such an extensive survey might well prove to be a wasteful effort and that a more random limited survey would prove to be as effective.

Of course, we are aware that a fairly accurate picture of parental concerns could be obtained through such a random sampling of something like 2,500 families. However, I point out the grave concerns which have been expressed in this House regarding hockey violence, and establishing direct contact with some 100,000 concerned parents is reflective of our collective concern for our young people. It is far more than a mere exercise in survey research.

Dr. Elliott, in his letter to the honourable member, is quite right when he notes that normally such questionnaires enjoy only a 15 or 20 per cent response and indeed in some surveys as little as a five to seven per cent response. I am pleased to report that this has not been our experience with this survey. Thus far, the response has proven that our decision to put our questions to all parents concerned has met with the wholehearted support and co-operation of most of those parents. In all, 78,754 questionnaires were sent. To date, we have had an outstanding response of more than 50 per cent, with close to 40,000 replies received, and they are still coming in.

Moreover, another most significant measure of the degree of interest and the validity of this approach to the inquiry is that 98 per cent of those responding have utilized the space set aside in the questionnaire for their personal comments.

The honourable member opposite also questioned why only three of the 23 questions contained in our questionnaire related directly to hockey violence. I assure you, Mr. Speaker, this does not in any way reflect a low priority of concern regarding this subject. On the contrary, the researchers felt, and quite correctly so, that the parents' views on violence can also be assessed by posing indirect questions regarding their attitudes to the game itself—is it for fun or com-

petition?—plus their views on officiating and on the attitudes of parents concerned.

As noted by the member for Cambridge, some parents have received more than one questionnaire. This is most understandable; the questionnaires were sent to the home addresses of each individual player involved. This was the most simple and inexpensive method of ensuring that all parents were contacted. In instances where there were several players in one family, then indeed more than one questionnaire would have been received. However, in the close to 40,000 responses received to date this does not seem to have posed a problem. The parents obviously recognized the need to return only one questionnaire.

The research part of this exercise is under the capable direction of Dr. Barry McPherson, acting dean of the University of Waterloo. The returns still have to be key-punched, verified, tabulated and analysed under his direction. Upon the completion of this phase of our exercise in late June, the Ontario Hockey Council will be sponsoring a series of open forums throughout Ontario to discuss the issues raised by parents through the questionnaires and to invite further participation and debate on ensuing recommendations.

The Ontario Hockey Council hopes that at least some of the recommendations forthcoming from these public forums could be implemented as early as the next playing season.

Obviously it is too early to even conjecture on what will be the emerging concerns and issues raised by the parents. However, the tremendous response by parents so far indicates to an encouraging degree their interest. I feel we will be assembling for the first time ever the collective views of the parents and not just those of a random sample group. This information will, I am sure, prove to be of enormous value to the Ontario Hockey Council and the other hockey governing bodies as they look not only to violence in the game, but also at the many other closely related issues, and recommend such changes as may be indicated.

Mr. M. Davidson: A supplementary question, Mr. Speaker: Perhaps the minister could explain a couple of discrepancies between his original statement and his answer to the questions. His original statement, I believe, talked in terms of 100,000 questionnaires. Today's statement refers to 100,000 parents of hockey players. They are two totally different things. I thought I heard correctly—

Mr. Speaker: What's the question?

Mr. M. Davidson: The question is, does the minister realize that there are discrepancies in the original statement that he has made and in his answers today? In his answer to the question he raised the point that some 70,000 questionnaires had been distributed. Can he possibly explain to me how it is cheaper to send four or five questionnaires to one home, and how he can tabulate and get a correct answer from a questionnaire that has four or five answers coming out of one household?

Hon. Mr. Baetz: Obviously, Mr. Speaker, if there is one reply from one family, if that family has two, three or four children playing hockey—

Mr. T. P. Reid: The minister has kicked that around all winter. It's about time he has had an answer.

Hon. Mr. Baetz: —we ascertain the views of that one set of parents. They will have the same attitudes about one of their children playing hockey as about four of them.

I think it was the member for Cambridge who seemed to be confused by the fact that they had received four questionnaires and didn't know what to do with them. As indicated in the report here, that apparently has not been the problem with the 40,000 or 48,000 others who have sent replies. They knew what to do with it.

Mr. M. Davidson: They didn't know where they came from.

Mr. T. P. Reid: Let's get on with some important business.

Mr. S. Smith: That's surely not a matter of urgent importance?

DISASTER RELIEF ASSISTANCE

Mr. Bolan: I have a question of the Premier. Is the government considering flood relief to the tourist operators and townships in the non-designated flood areas of Lake Nipissing, particularly in the Nipissing area, as well as in the Parry Sound area, the South Bay area, which is in the area of the honourable member behind him, which has been hard hit by these flood waters? I'm thinking particularly of funds for repairs to roads leading to the places of business, as well as interest-free loans to tourist operators who have suffered great losses in these areas.

Hon. Mr. Davis: Mr. Speaker, I had the pleasure of visiting with the deputy mayor of the city of North Bay some few days ago when I was visiting Field and other points. I was looking for the member to greet me at the airport, as a matter of fact, to take

me into North Bay. I did visit, from approximately 200 feet, the shoreline, but of course at that point the water levels of Nipissing had not reached the levels which they are presently at.

The government is quite prepared to consider this, and upon application from the municipalities we will do an evaluation. I would suspect that the Minister of Intergovernmental Affairs (Mr. Wells) already has some information, so if the member would like to relay further information please do so. Of course, the member for the great district of Parry Sound (Mr. Maeck), who is his next-door neighbour, always keeps a constant eye on those issues that relate to his constituents, and the member opposite just happens to be the beneficiary of the Minister of Revenue's concern about the total community in that area and I'm sure that he will, as well, convey to us any concerns.

Mr. Bolan: Supplementary: Does this statement apply to the unorganized townships in these areas as well? The Premier has indicated that he is waiting to hear from the townships, or it will be considered if an application is made by the townships. Does it apply to an unorganized township as well?

Hon. Mr. Davis: If the honourable member had been keeping close touch on what was happening in the area just to the northeast of him, he would recall that the government made a decision that would affect the municipality of Field and other areas around Field that happen to be parts of unorganized townships.

Mr. Bolan: Northwest, not northeast.

Hon. Mr. Davis: So I think the member already knows the answer to the question. We have never been reluctant. The question of organization or not organized has not been a relevant issue. The relevant issue is whether there is a genuine need.

HAZARDOUS SUBSTANCES

Mr. Duksza: I have a question of the Minister of the Environment relating to the control order which Anchor Cap and Closure Corporation of Canada saw fit to ignore. Since the ministry was aware, at least as early as December 1976 according to its own hazardous substances handbook, of the health hazards of exposure to xylene emissions, why has the ministry blithely continued to debate technical problems with the owners of Anchor Cap and Closure when Anchor was in clear violation of a control order issued by the ministry, a control order which Anchor simply ignored?

Hon. Mr. Parrott: Mr. Speaker, I answered almost an identical question in the House either Tuesday or Thursday of last week.

Mr. Wildman: No, you didn't.

Hon. Mr. Parrott: I'm prepared to repeat that as best I can, or perhaps the member might refresh his memory by checking that response and ask the question on another occasion.

Mr. McClellan: Just answer the question.

Mr. Warner: You can't wiggle out of it.

Mr. Duksza: It is not an identical question. The member for Huron-Bruce (Mr. Gaunt) asked a question about the control order and why the ministry had not dealt with it; I'm asking very specifically about the health hazards of xylene emissions, which is a different question. I have a supplementary which may explain to the minister in much more detail than he was aware the health hazards of xylene.

Mr. Speaker: Perhaps if you put the supplementary now he could deal with both of them at once.

Mr. Duksza: Is the minister aware that allowable levels of xylene exposure in some other jurisdictions are much lower than those allowed in Ontario? In view of the fact that residents near the plant in question have reported adverse health effects; and that the last time the Ministry of the Environment bothered to sample the air around the plant, two years ago, it was emitting xylene in concentration in excess of the allowable standard in Ontario; doesn't the minister think his ministry should enforce its own regulations rather than simply play the good fellow and allow a clear potential danger to public health to continue to exist?

Hon. Mr. Parrott: As I understand the problem with that particular company and with xylene, it centres around the fact that it is an odour and is not associated with a particulate matter; therefore it's extremely difficult not only to record and read but to control.

I'm not aware of the standards in other jurisdictions off the top of my head. I'd be glad to get them, and if we think ours are too high we'll certainly redress that problem. I can't accept, however, that we have not strenuously gone to work on this particular problem for those residents. I again state that by the end of this year I believe it will be eliminated, or extremely controlled.

Mr. Duksza: A further supplementary: Is the minister aware that xylene emission is related to the manufacture of benzene, which occurs at Anchor Cap and Closure, and that

one has to study both of these questions together? He seems not to be aware of the potential health hazards and of the study. Why is he not taking into account the study made two years ago on the hazardous effects of xylene emissions in that very area?

Hon. Mr. Parrott: I don't have with me today the exact levels that were recorded. From memory I think our staff said they did not consider it a health hazard. I will double-check that tomorrow and respond.

SOVIET CITIZENSHIP

Mr. Leluk: Mr. Speaker, a question for the Premier. The news media recently carried a story that the Soviet Union intends to amend its citizenship act on July 1, automatically making Soviet citizens of those persons whose parents were born in countries which come under the USSR. Does the Premier intend to make representations to the Prime Minister of Canada or to officials in the ministry of the Secretary of State for External Affairs—

Mr. Bradley: The United Nations.

Mr. Leluk: —on behalf of those Canadian citizens now living in Ontario who have no say in this matter and who do not wish to become citizens of the Soviet Union?

Mr. Peterson: Will you move the embassy to Leningrad?

Mr. Conway: Joe Clark thinks Russia is part of the free world.

Mr. Cunningham: Move the embassy to Kiev.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, the member for Renfrew North speaks with some facetiousness about the next Prime Minister of this country.

Interjections.

Mr. Conway: A great deal of facetiousness. [2:45]

Hon. Mr. Davis: We won't be here a week tomorrow, so I guess it will be a week Wednesday before I get a—

Mr. Speaker: Order. You see where the interjections get us? They serve no useful purpose whatsoever. I think it is unfair the member should make that kind of interjection when he knows it is going to be picked up and it is going to be responded to. Let's call it a draw and try to recall the original question.

Hon. Mr. Davis: I am delighted any time you say I have achieved a draw with the members opposite. I will take your judgement, knowing it is totally objective.

Mr. MacDonald: The question.

Hon. Mr. Davis: But it was the member's fault; I didn't do it. What was the question?

I would be quite prepared to discuss this with the next Prime Minister of Canada after a week tomorrow. I feel confident Mr. Clark has the same concerns on this issue as those expressed by the member—I am getting that in subtly—he has the same concerns as those expressed by the member for York West.

Actually, there is a member of my staff who falls into the category of being described as a Soviet citizen because of some legislation in the Soviet Union. He is quite adamant that he has no intention or desire to become a Soviet citizen; he happens to like it as he is, as a Canadian.

Mr. Ruston: Would it not be better if we had a resolution from this Legislature with the unanimous agreement of all people here? That might help and could even be sent to the United Nations.

Hon. Mr. Davis: I am a great supporter of the United Nations and certainly, they have performed many important and constructive functions over the years.

Mr. Peterson: Maybe you would like to speak on the subject. You are truly ridiculous.

Hon. Mr. Davis: No, he asked me a question. I was getting around to answering it. The member for London Centre quite obviously has no great respect for the United Nations. I was just saying what a great organization it is.

Certainly we could give the question of a resolution here some thought, but I really think we should await until the new government of Canada is in a position to deal with these international issues, which will hopefully be some time after next Tuesday night.

Mr. Makarchuk: When you are going to talk about citizenship. What I am saying is the next time the Premier is going to talk to the supposedly future Prime Minister of Canada about this matter, would he kindly take a map with him to show him where the areas are located?

Hon. Mr. Davis: It is delightful the member for Brantford, in his own inimitable fashion, has acknowledged that in fact, Mr. Clark will be the next Prime Minister. I appreciate that endorsement. If he will provide the map I will do with it what one should do with a map provided by the member for Brantford.

Mr. Speaker: The Minister of Health has asked for unanimous consent to revert to statements. Do we have that consent?

Agreed.

STATEMENT BY THE MINISTRY

RADIATION FROM X-RAYS

Hon. Mr. Timbrell: I am not sure that last suggestion by the Premier is healthy.

The question of diagnostic radiation safety has become a matter of public concern during this past week. In order that the members and the public at large understand the situation, I would like to provide this background.

Originally the radiation department of the Ministry of Health was responsible for X-ray safety and other radiation hazards. In 1976, responsibility for radiation other than X-rays was transferred to the Ministry of Labour, since any hazard associated with these areas were considered to be an occupational health matter. The X-ray inspection service remained with the Ministry of Health, which now concentrated on matters of patient safety. This then led to the formation of the committees for X-ray program development.

In August 1977, the assistant deputy minister for institutional health services at the time, Mr. Chatfield, wrote to medical professional groups, federal and provincial government agencies across Canada and equipment manufacturers. He sent them a discussion paper prepared by the steering committee for X-ray program development in which the proposed program had two parts, a licensing portion and a safety standards portion. He asked for their comments containing details of their proposed safety standards by October 1977.

In the fall of 1977 discussions were held between ministry officials and the Ontario Medical Association. We invited their professional input for development of safety standards. It was agreed that health physicists Drs. Johns and Taylor of the University of Toronto would respond to the proposed safety standards on behalf of the OMA by January 15, 1978.

In the interim, Drs. Johns and Taylor had already applied for a ministry grant for research into a new method of testing diagnostic X-ray machines. The application was submitted for peer review in December of 1977 and the grant was approved in February of 1978. It was \$43,090 for 1978-79 and \$43,000 for 1979-80. The inspection branch continued its followup with the OMA and developed a consulting relationship with Dr. Taylor in his project.

Also in 1978, our inspectors worked with the Ontario College of Dental Surgeons to establish a new X-ray safety program for dentists. This program began to be implemented in August 1978 and is introduced to

each dentist's office as it is inspected. This is primarily an educational program.

The OMA responded to the request for comments on the report of the steering committee for X-ray program development by submitting an alternative proposal in December 1978 for a study on radiation protection and diagnostic radiation in the province of Ontario. The OMA asked for a research grant of \$100,000 per year; the ministry approved \$100,000 per year for three years. A letter was sent in March 1979 to Dr. E. J. Moran asking the OMA to sponsor and to supervise the project, and to establish contact with the OHA and hospitals involved. Additional funds for this project were provided by the PSI foundation. It is the ministry's understanding that staff hiring for this project will commence on June 1, 1979. As requested in the project's submission, the ministry is committed to provide staff time internally to assist and to co-operate on this project with Drs. Taylor and Johns. We are committed to sustain this program on an ongoing basis until it reaches its full development.

In February 1979 the Ontario Society of Radiological Technologists submitted a letter to the ministry, in fact to me, in which certain recommendations were made regarding training and licensing of technicians. The committee also pledged the full resources of the society to the ministry to establish the safety standards required. I responded in April 1979 advising the society of the development of a joint ministry-OMA program on radiation protection in which I confirmed the need for the active involvement of that society.

It should be clarified at this time that my letter concerns the paper entitled *Variations in X-ray Exposure to Patients*, which was published in the journal of the Canadian Association of Radiologists of March, 1979.

From details provided in this paper, some of the opposition has concluded that most X-ray machines are hazardous.

Mr. S. Smith: We never said that.

Hon. Mr. Timbrell: No; that's why I qualified it as, some of the opposition.

The paper states: "Many factors contribute to differences in patient dose and some factors are more significant than others. Of greatest importance is the fluoroscopic exposure rate. In only one case was a high rate due to a machine's fault."

The next factor of importance listed in the paper is the fluoroscopic time. The paper stresses that: "It is the responsibility of all operators of X-ray equipment to use the shortest possible fluoroscopic time." The fluoroscopic procedure is a diagnostic procedure used by radiologists. The time taken

for this procedure is directly at the discretion of such medical practitioners. The paper concludes by calling for: "A continuing concern on the part of radiologists and technologists for the dosage which patients receive."

On May 10 the honourable member for Ottawa Centre (Mr. Cassidy) raised the issue that the radiation received by patients receiving X-rays exceeds 50 rems, which he says is the lifetime radiation standard established by the International Council for Radiation Protection. It should be pointed out there is considerable confusion on the difference between lifetime occupational exposure levels and X-rays used for diagnostic procedures.

Lifetime exposure standards do not refer to patient exposure during medical procedures. As already mentioned, this is at the discretion of the practitioner, as only he can determine what is necessary for his diagnosis. It can be easily recognized that this varies widely from patient to patient, depending upon a wide variety of patient conditions. There are not, however, any international standards for dose levels used for diagnostic purposes. It is acknowledged that radiation in and of itself can be hazardous to health. However, when a clinician prescribes an X-ray, it is expected that the patient will derive medical advantage in that an undiagnosed condition may be identified and treated.

The ministry has already responded to concerns about dosage levels for clinical purposes by funding the OMA study and earlier studies for that matter. We have always made funds available to address issues of safety, and we will continue this emphasis. We have also committed ourselves to reviewing these concerns with the professional organizations, and we are prepared to commit additional funds and manpower. The present study and others the ministry is involved with, together with proposals from the potential bodies, will in our estimation provide the residents of Ontario with an assurance that their safety will always be our primary concern.

As I have already stated, the decisions regarding the necessity for radiological procedures are appropriately placed with the medical practitioners. A great deal of discussion has taken place, and it has been inappropriately suggested by some people that patients should refuse their physicians' directions for X-rays. As the Minister of Health, I would repeat the warning I made in the House last week that no one should refuse an X-ray prescribed by their physician.

Mr. Speaker: We will add five minutes to the question period.

ORAL QUESTIONS

(continued)

RADIATION FROM X-RAYS

Mr. S. Smith: Mr. Speaker, a question for the Minister of Health: The minister seems to downplay the question of the actual X-ray machinery in quoting from the paper by Dr. Taylor, in which he correctly says that in the fluoroscopic danger, which seems to be the greatest one, a machine problem or a machine fault was the cause in only one case. However, Dr. Taylor goes on to speak of many other problems which are machine-related. Dr. Taylor said on *As It Happens*, on the CBC, that in his view machines should be inspected every three to six months.

Therefore, I ask the minister why it is that while this exchange was going on for the past few years between these various learned societies, his ministry's inspectors were not inspecting machines sufficiently frequently? Were they in fact inspecting machines in the offices of chiropractors as well as those in the offices of dentists and doctors? Can we see the documents, the inspection reports, and can we find out basically what questions they were asking? Dr. Taylor says they were asking the wrong questions.

Hon. Mr. Timbrell: Mr. Speaker, my estimates will be considered at some point in the next few weeks, and I will be very happy to get into some of these related questions at that time. But let me say that one other matter which the staff in the inspection branch have been working on, and which relates to this, is the possibility of developing some kind of self-checking mechanism or checklist. This has been worked on over the last six months. We would anticipate, inasmuch as my staff and the inspection branch will be working directly with the two physicists involved in this study, that perhaps with their assistance that could be further advanced.

One of the suggestions—and I think it's very much in line with that which I have just described that my staff have been working on—one of the suggestions that came from the technologists' society was that there be a self-inspection or self-checking project. It would seem to make good sense to me that we work in that direction as well as, of course, regular inspections by the ministry's inspectors. They make the point that these things could be filed regularly with us, and we are working along those lines.

Mr. S. Smith: By way of supplementary: With great respect, while the ministry was exchanging views between these various societies for three years, a lot of people—two years; it's three years that his ministry's inspection branch has been there—a lot of people were receiving a lot of radiation they should not have been receiving. They continue today to be receiving a lot of radiation they should not be receiving while a three-year study now is under way.

I ask the minister, will he not now instruct all the owners of X-ray equipment in how they can inspect their machines immediately and for the information of those doctors or others who use those machines, post the information that is pertinent? Will he also make certain that any of the machines that, in order to give a decent picture, require too high a dose of radiation, or have some other defect in them, will be replaced?

Hon. Mr. Timbrell: I think I have just described exactly that process. There is no such set of standards anywhere in the world, to my knowledge or from what I have been advised. It is just that which the staff are working on, to try to come up with something that we can send to every owner or operator that can be a self-checking mechanism, which would assist also in our co-operation with this particular study under way by these two physicists.

[3:00]

I want to go back to the March 1979 paper. As I read that they keep coming back to the fact that it is a question of judgement. It is a question of the three factors that dictate the amount of radiation being used: the kilovoltage, the milliamperage and the exposure time. What they are saying in that paper time and time again—and I won't take the time of the House to repeat the statement I read last Thursday or the paper—is that it is an educative process, in addition to anything else.

Mr. Cassidy: Supplementary, Mr. Speaker: In view of the fact that doctors will not often know what degree of radiation that patients have been exposed to through X-rays, and since it is a world-wide standard of medicine that the minimum amount of radiation needed be used in X-ray diagnostic procedures, will the government consider introducing regulations to require that the X-ray radiation dose received by patients be entered into their medical histories, as is done already at such outstanding institutions as the National Institutes of Health in Bethesda, Maryland?

Hon. Mr. Timbrell: If that suggestion has any potential medical benefit to the patient that will come out of the work which is under way by Dr. Johns and Dr. Taylor.

While I am on my feet, Mr. Speaker, may I respond to the point of privilege which I understand the member raised before I arrived today and say that in the statement I made last week I was going on the advice of my director of research. It was his impression, and based on that impression he advised me, that some of the money in the \$86,000 grant which we gave for the study entitled *New Method of Testing Diagnostic X-ray Machines* had in fact been applied to the paper which was released in the March issue of the *Journal of the Canadian Association of Radiologists*. That is apparently not the case; I apologize for unintentionally misleading the House. There are other papers to come which will make the notation that Ministry of Health funds were applied to them.

Mr. Breithaupt: Supplementary: Since Dr. Taylor has suggested that inspections should be made on a three-to-six-month basis for most of this equipment and since present requirements are for five-year inspections, with my understanding that there are items of equipment that have not been looked at in over 20 years, would the ministry now look into ensuring that these three-to-six-month periodic inspections will take place so that it will have a good statistical base upon which to base further studies, knowing the equipment has in fact been reviewed?

Hon. Mr. Timbrell: First of all, if the honourable member knows of any piece of equipment which is being used for diagnostic purposes in a clinical setting that has not been seen for 20 years I would appreciate knowing about it.

Mr. S. Smith: It was in the *Globe*.

Hon. Mr. Timbrell: Was it in the *Globe*?

Mr. Breithaupt: Do you not read the paper?

Hon. Mr. Timbrell: I scan. As we work together with Dr. Johns and Dr. Taylor, if it becomes clear that additional personnel are needed, we have already indicated we are prepared to add personnel.

Let me give an example to illustrate the basic point. Apparently during this earlier study, the team associated with the research went into a hospital and complained about the high levels of radiation being used in certain fluoroscopic surveys. The operator or the technician said: "But the ministry people were just here last week." They came to us and quite rightly started to raise hell. It

turned out that our people had been in and had advised that it would be advisable to use lower levels—in other words to adjust the exposure, the milliamperage, the kilovoltage and so forth—but in the judgement of the physician in that particular case he felt it should be higher.

What we are involved in here is a means of showing every operator, and this comes back to the very basic point, that a lot of the assumptions that have existed for years about the levels that are required for good pictures for diagnosis are wrong. Obviously, one does not want to send people back all the time because one got a bad picture the first time. Some of those assumptions are wrong. It is a matter of educating all of these people in the ways which Taylor and Johns are uncovering. They make the point in their paper that they have already uncovered some ways and they anticipate they will find many more to assist all these people in making these decisions.

Mr. Cassidy: Mr. Speaker, it is now 15 years since the Ontario Society of Radiological Technicians began pressing the ministry to have only licensed technicians operating X-ray machines in public hospitals in Ontario. Two years ago, the executive director of the Breast Cancer Advisory Committee testified before Congress in the US that it is outrageous that the beautician who shampoos, cuts and sets our hair must pass difficult qualifying examinations and be licensed, when X-ray technicians are not required to do so.

I would like to ask the minister, in view of the seriousness of the radiation that leads to such things as using these lead aprons when people have X-rays in the dentist's chair, and which leads to the situation where my doctor told me today that despite a cracked rib, I should not have an X-ray for fear of the radiation, does the minister not at least agree that X-ray technicians operating these machines should be qualified, trained and licensed in Ontario?

Hon. Mr. Timbrell: Mr. Speaker, first of all, we do not, through our legislation, govern the activities of technicians in the United States. That kind of testimony, while the concern about the level of ability in any jurisdiction is appropriate, is germane to whatever is current in the United States of America in total, or in any one of the 50 states. Secondly, I am advised that 97 per cent of the operators in the public hospitals of Ontario are members of the society. That is advice I have had from my staff.

In addition, I would like to answer one other point which has recently been raised,

although not today; I think I should raise it myself. That is the question of the staff who work for the ministry. A year and a half ago, in meetings with the society, we agreed with them that from that point forward no one would be hired to work for the ministry as a technician who was not, in fact, registered with the society. We have asked them to submit to us proposals on how we might assist those of our staff who are not registered to upgrade themselves.

Mr. Cassidy: Mr. Speaker, Dr. Taylor's report indicated clearly exposure rates were set high, either because of a lack of understanding by the users or because of manufacturers competing with each other for the best fluoroscopic image. In other words, Dr. Taylor was suggesting it is the technicians using the machinery and not just radiologists proscribing certain lengths of exposure. What steps is the ministry taking at once in order to instruct the people operating this machinery to ensure they use the machines for the minimum time required to get any kind of an image, so radiation hazards can be reduced to the minimum?

Hon. Mr. Timbrell: Mr. Speaker, with respect, the honourable member is just reinforcing my point. It is a matter of judgement. Every one of these machines is under the supervision of a qualified practitioner. As the research to date indicates, it comes down in most cases to this combination of the milliamperage, the kilo-voltage and the exposure time. The fact the member's physician indicated no X-ray for a cracked rib—and I am sorry to hear he has it—illustrates perhaps quite different attitudes about cracked ribs. There was a time when he would have been taped for that. I doubt he is taped now. Am I correct? Nobody tapes any more for a cracked rib. The physician is reflecting current knowledge as to whether it is useful or not.

Mr. Breithaupt: With regard to the raising of that point on qualification which I made last week, will the minister ensure the suggestions made by the Ontario Society of Radiological Technicians will be considered, particularly with respect to those locations such as dentists' offices and chiropractic offices, where the use of X-rays is accepted and where the staff might not be fully required to be qualified technologists but where they are required to have some training and certainly clear standards by which to perform?

Will the minister ensure that this body, the OSRT, will have the opportunity of being involved in the setting of those standards so that we can encourage the safe use of this

useful machinery by all of the parties involved?

Hon. Mr. Timbrell: Mr. Speaker, in my letter of reply in February to the most recent letter that I have seen, I indicated that I felt the society had to be involved in the work that we have begun over the last 18 months with the medical association, and indicated that I was asking a member of my staff to contact them in that regard—which, if that has not already occurred, will soon occur—in order that they will in fact be involved.

CHILDREN'S MENTAL HEALTH CENTRES

Mr. Peterson: I have a question for the Minister of Community and Social Services. Is the minister aware that because of the ministry's cutbacks the Madame Vanier Children's Services in London is having to sell one of its facilities and is cutting back five beds minimum, and there is already a waiting list for young people to get into that residential treatment? If he is aware of that, what is he going to do about it?

Hon. Mr. Norton: I am aware that the centre has announced that certain decisions have been made, as described by the honourable member. I would point out that to the best of my knowledge those decisions were made without prior consultation with the staff of my ministry.

I indicated at the time of the announcement of the restrictions in growth in the budgets of certain large children's mental health services that the staff of the ministry would be working with such services to assist them in developing a long phase-in period in order to achieve the budget objectives that had been established for them.

I don't believe that those meetings have as yet taken place with all of the services affected. I believe that the decision that has been announced by the Madame Vanier institute has in fact been precipitous and too hasty.

Mr. Peterson: Can I take it then that the minister and his staff are prepared to reconsider the funding they have given to that institution this year so that they perhaps do not have to sell that particular facility? Are they prepared to reconsider and meet with them?

Hon. Mr. Norton: Certainly my staff are prepared to meet with them. I don't believe at this point in time that a meeting with me is necessary. I'm not suggesting, though, that the budget allocations are going to be

changed. I think it is possible they may have misunderstood the period of phase-in.

I also would point out to the member and to them that in fact it was also made clear that those services which were affected were eligible, along with all other children's service agencies in the province, to prepare and present to us proposals with respect to preventive programs that they could introduce and make application for funding under the \$16 million for new initiatives in that area. I do believe that the decision has been too hasty, as I believe it was in Windsor as well.

INCO DISPUTE

Mr. Laughren: Mr. Speaker, I have a question for the Minister of Labour. Now that the eight-month lockout by Inco in Sudbury is over and the strike has begun, is the minister prepared to tell the officials at Inco that the workers in the community have paid a high enough price and that Inco has successfully reduced its stockpiles, which was of course its goal, and that it must now make a decent offer to the workers in Sudbury?

Hon. Mr. Elgie: With the greatest respect to the member, I have never heard the description of the work stoppage as he has outlined it before. However, it's an interesting interpretation. I must say I am certain that the member shared with the Steelworkers the view that was expressed very clearly in *The Miner's Voice*, in which the president of the union and the director of district six of the union expressed firm support for the settlement procedure.

[3:15]

I share the member's disappointment that there was not a settlement. But to discuss now any bantering with either of the parties, I think, does little for the process. My mediators at the present time are discussing the matter with each of the parties to see what their wishes are on this issue.

PETITIONS

WINDSOR CHILDREN'S CENTRE

Mr. Cooke: Mr. Speaker, I'd like to present the following petition to the Legislature today. It reads as follows:

"We the undersigned protest the closing of the 12-bed residence for emotionally disturbed children at the regional children's centre at Windsor Western Hospital. This centre is the only one of its kind in this area and many children are on the waiting list. Why shut the doors on children? They are the adults of tomorrow, and this is the Year of the Child."

This petition was circulated, when it was thought the 12-bed unit was going to be closed, by Linda Bryce of 1541 Albert Road in my riding. She collected 1,000 signatures. I think it demonstrates the very strong feelings of the people in Windsor about this centre and the strong support for it. While the situation has been resolved on the short-term basis, the long-term problem still exists.

INTRODUCTION OF BILLS

PESTICIDES AMENDMENT ACT

Hon. Mr. Parrott moved first reading of Bill 86, An Act to amend the Pesticides Act, 1973.

Motion agreed to.

COUNTY OF NORTHUMBERLAND ACT

Mr. Rowe moved first reading of Bill Pr7, An Act respecting the County of Northumberland.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 169 and 170 standing on the Notice Paper. (See appendix, page 1921.)

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS (continued)

On vote 701:

Mr. Chairman: I believe the honourable member for Nipissing was in full flight.

Mr. Bolan: I don't know whether I was in full flight or not, but in any event we were asking some very serious questions of the minister. He has had over two weeks now to respond to them and we're awaiting with great anticipation the responses he will give.

I don't have much to add to what I said. I just want to go on a little while about the Ontario Northland Railway. There are some very nasty things going on with that railway—

Interjection.

Mr. Bolan: Well, if the minister is considering selling it, if he considers that a big thing, yes, I suppose.

Hon. Mr. Bernier: I'm considering it.

Mr. Bolan: As the minister knows, there have been very serious comments—

Mr. Ruston: He's not listening now.

Mr. Bolan: —made with respect to the Ontario Northland Railway. When it was under the jurisdiction of the Ministry of Transportation and Communications, we didn't have those problems. The minister ran a good railway. I suggest you might want to start by giving it back to that minister. At least he seems to have known what he was doing.

Ever since the railway has been under the jurisdiction of the Ministry of Northern Affairs, there has been one controversy after another, mostly stirred up, of course, by some of the commissioners, one of whom was recently appointed for another one-year term.

Mr. Nixon: Again?

Mr. Bolan: They put Mr. Piche back in for another year. At least they had the good sense to make it only one year and not two this time. I hope that will be the end of Mr. Piche after June 1980. He has been appointed for another year, is that right?

Hon. Mr. Bernier: Yes, it is. A great member.

Mr. Nixon: Do they still have their meetings at Moonbeam?

Mr. Bolan: Dealing with the Ontario Northland Railway, as I indicated in the House some two weeks ago, I had some information—which was not denied—that Bell Canada was trying to grab the telecommunications system. I'd like to have some confirmation in our deliberations today, or whenever we get around to it, because if anything this symbolizes the advance the ONR has made over the past years. It certainly is a step into the future and it certainly is something I feel is not worthy of selling off.

I also understand that Via Rail is interested in the rail passenger service. Does the government intend to get rid of that particular branch?

The minister has sold the lodge in Moosonee. He has also tried to get rid of the boat on Lake Nipissing without success, because of the political pressure that was brought to bear by the North Bay Chamber of Commerce, as well as by other agencies. He backed off on that. I want to know about the plans for the boat on Lake Nipissing and any other boats that belong to the ONR.

I'd like to find out the plans with respect to the bus line which is operated by the ONR. I understand it is up for the highest bidder as well.

Mr. Wildman: They're cutting the service.

Mr. Bolan: In other words, the people of northeastern Ontario are very much concerned with what is being done with the ONR.

Mr. Wildman: I don't think he knows.

Mr. Bolan: I can assure the minister there is considerable unrest, not only in my area, but in all the areas which are affected by the Ontario Northland Railway.

Mr. Nixon: I bet they're keeping a private car.

Mr. Bolan: It would appear to me that the ONR we'll end up with will be a highly subsidized executive air transportation system called norOntair, and that's going to be about the size of it. I would hope the minister will be able to tell this House and the people of northern Ontario that the answers to many of the questions I have raised with respect to the disposition of the assets of the ONR are going to be known.

I have no further comments to make as far as an opening statement is concerned. However, we will get to other matters during the course of the next 10 hours.

Mr. Chairman: The member for Algoma. Applause.

Mr. Wildman: Thank you, Mr. Chairman.

Mr. Nixon: The member for Nickel Belt is trying to sound like a whole crowd.

Mr. Wildman: First I'd like to apologize for not having been present for the minister's leadoff.

Mr. Nixon: Does he provide you with a plane so that you can go back and forth?

Mr. Wildman: As the minister may be aware, when these on-again, off-again estimates were started I was up to my waist in water with a number of other people in the village of Iron Bridge and we were kind of busy trying to bail the minister out in that area.

I'd like to talk about a number of things in this debate on the estimates. I have had some difficulty putting them into a real semblance of order, since the ministry tends to be going off in all directions at once. However, there are a number of things I want to bring to the attention of the House and I hope the minister can respond to them.

During the week when the estimates began, I also attended a number of meetings—one in Searchmont and one in Batchawana—with regard to the proposed local services boards legislation, and I will be talking in detail about that later on.

I noticed in the minister's leadoff that he stated this is the third time we have debated

the estimates of this ministry and how proud he is of its progress. I participated in all three of those debates and, frankly, this is the first time I have led off for our party in these estimates as the critic. As a northerner who perhaps has the least experience of northerners in our caucus, I am proud that my leader has asked me to represent our party in this debate. It is an important portfolio assignment, since our party places a great deal of importance on the need for planned rational development in the north.

Before I go on any further, I would like to take the opportunity to congratulate the newly appointed deputy minister, Mr. Herridge, of this ministry. We all know of his work in the Ministry of Natural Resources, and those of us in the north who have had dealings with that ministry and with Mr. Herridge know the kind of work he does. I am sure we are all looking forward to the contribution he can make to these estimates and to the development of this ministry, and I congratulate him on his appointment.

The minister mentioned in his leadoff statement the value of having government functions in the north co-ordinated by a single ministry. There is no question that we accept and support that view. However, the real questions arise when it comes to the crunch; that is, what does the ministry do in facing particular problems and dealing with particular issues of northern development and in responding to the needs of northerners?

The minister, I will admit, does state in his leadoff statement that he has not solved all the problems and deficiencies in northern Ontario yet. We certainly agree with him on that point. But what I am talking about in terms of the crunch is, what does this ministry do in terms of co-ordination? I will use the last two or three weeks as an example, where we have faced serious flood problems throughout the northeast and now, as the minister probably is aware, it seems to be spreading to the northwest, with a serious flood in White River over the weekend, with water in the White River flowing into the town and flooding many homes. A number of homes and apartments have been evacuated, a number of businesses have closed, the Hudson's Bay Company store has merchandise floating all over the place, the liquor store has closed—which is a major catastrophe—and a number of other businesses have been affected. I just wonder what this ministry has been doing in facing this problem and in co-ordinating the government's response to it.

When I asked the question of the minister about one of these floods, the flood in the

Searchmont and Goulais River area, he referred me to the Minister of Natural Resources (Mr. Auld), who has been designated over the years as the lead minister in dealing with flood emergencies. So that really has not changed even with the development of this new ministry for the north.

Yet during the debate on the establishment of the ministry in July 1977, the minister stated that one of the main co-ordinating functions of this new Ministry of Northern Affairs would be "developing and implementing contingency plans in natural disasters." I tell the minister that this ministry just has been completely absent in relation to the floods in the past two or three weeks.

I would refer to that debate, as reported at page 470 of Hansard for July 6, 1977, where the minister says that one new section of the bill establishing his ministry "is designed to provide the government with a reasonable amount of flexibility in responding to emergencies in the north, such as natural disasters and fires which threaten the lives and property of residents. The wisdom of giving the new ministry this capability to respond swiftly and effectively in such emergencies was demonstrated rather dramatically at the time of the disastrous fire which destroyed 152 homes in the town of Cobalt and left 450 persons homeless."

[3:30]

There is no question that the ministry was involved, and very actively involved, in responding to the problems people faced in Cobalt at the time of that very serious fire. Not only the government, but also many other municipalities, individuals and organizations across the north contributed to the rehabilitation of Cobalt to help people get going and so on after the fire, and to get them on their feet again. What will happen with the flood situation? This ministry has not been involved. When I ask the minister, he refers me to the Minister of Natural Resources. Let's look at what happened with the Ministry of Natural Resources in terms of the flooding in my area.

There certainly is no question that Natural Resources is responsible for monitoring rivers and lakes throughout the province, but my experience in the situations in Iron Bridge, Searchmont and Goulais River indicated there really was a need for co-ordination, real co-ordination, in facing these kinds of emergencies for small communities in the north.

The Ministry of Natural Resources officials worked very hard, I'll admit, and I've had many consultations with them over the few weeks we've been facing this very serious

problem in my area. They've worked overtime. They've worked long hours in monitoring water levels and so on, but when the situation first developed, Natural Resources appeared not to have any special plans for dealing with the emergencies.

They didn't seem to have plans to deal with such simple things as sandbagging or evacuation. The plans seemed to be absent. As a matter of fact, the Searchmont volunteer fire brigade, and I want to pay special tribute to them, did most of the work in terms of evacuation, pumping basements and so on in that emergency in that community, with the assistance of the Sault Search and Rescue rather than ministry officials. Certainly the Ministry of Natural Resources and the Ministry of Transportation and Communications and the Ontario Provincial Police were all involved, but it was the local community people themselves who really got on the ball and got things going.

In terms of Iron Bridge, one of the residents, a business man, requested some sandbags because water had already flooded a number of cabins he owned and was threatening his home. I first phoned MTC to request sandbags. They referred me to the Ministry of Natural Resources, so I phoned the Ministry of Natural Resources. In the meantime, the reeve of the village of Iron Bridge also contacted the Ministry of Natural Resources and requested sandbags. Two hours after my initial phone call, the bags were delivered to the individual who had requested them.

In the two hours that had elapsed, the water had risen substantially. The individual's place was surrounded by water and he got a number of empty sandbags delivered to him. I don't know how many of you realize what it was like in Iron Bridge, but it was rather difficult to get sand in the middle of a flood situation to fill up these bags two hours after they had been first requested. The individual, when I was talking to him afterward, indicated to me he hadn't used the sandbags because he didn't think they were particularly useful if he had to fill them with water, and that's all he had. He had lots of that.

In an area just east of Iron Bridge, in the unorganized township of Cobden, a community known as the Eastman subdivision was flooded. Thompson township and the rest of Cobden township avoided most of the flooding because highway 17 in most places acted as a sort of a dike against the overflowing waters of the Mississagi River.

Just across in the Eastman subdivision, there was a culvert underneath the highway which is designed to empty a ditch into the

river. Of course, it backed up and the ditch overflowed and the subdivision was flooded. When I visited the Eastman subdivision during the flood on a Saturday evening, I was met by a young man who works for the Ministry of Natural Resources. He was sitting there in a truck and he was monitoring the water levels. He had a stake and he was measuring how high the water was rising, at what rate it was rising and so on. It wasn't until two days later the ministry decided it might be a good idea to sandbag that culvert and prevent more water from coming in.

I really wonder what kind of contingency plan the Ministry of Natural Resources had. If it is the lead ministry, I really wonder. With respect to this ministry, I just didn't see any evidence of Northern Affairs being involved in any kind of co-ordination or having developed any kind of contingency plan to deal with these situations.

Mr. Laughren: The minister of red tape.

Mr. Wildman: The Ministry of Natural Resources officials reacted and worked very hard, but they didn't seem to know the procedure for requesting provincial aid for the property owners who had sustained damage, or whom to ask for. This was especially true in the unorganized communities. A number of those communities organized committees on their own to try to get things going, to organize donations and collect moneys and so on, but until much later no one advised them that they should be contacting the Ministry of Intergovernmental Affairs. Only after I had a number of phone calls did they get involved.

I appreciate the commitment made by the government last week for assistance to those communities, as well as to Field and northeastern Ontario. Four to one is a much more adequate response, and I congratulate the government for making that response. My only problem is that the people in the field, that is, in Natural Resources, didn't seem to know—and I am not blaming them since we don't have these kinds of situations every day, thank God—who had the right to make the decision and who was supposed to be doing it. It was only after they did a lot of phone calling and research and after I and the local people did that we got the situation in hand.

Mr. Trewin and his assistant, Mr. Dupas, from the Ministry of Intergovernmental Affairs got involved. I must congratulate those two individuals who have shown a genuine interest in trying to assist the communities in the area. But where was this ministry? I just don't know what role it had

and what role the minister had in the decision that was made, first, to assist Field and then to extend that assistance to other north-eastern Ontario communities.

I wonder what role the minister will have in determining whether or not assistance should be extended to other communities in the North Bay area or, for that matter, to communities in the northwest that are now experiencing flooding, such as White River, as I mentioned.

Mr. Laughren: He organizes the red tape.

Mr. Wildman: During the 1977 debate that I referred to, the minister stated that the establishment of this ministry indicated a renewed commitment to overcome the obstacles faced by northerners in dealing with government. I just haven't seen evidence of that in this situation. The minister indicated the establishment of the ministry would mean more easy access for northerners to government and to assistance from various ministries. Frankly, by watching this ministry as I have and being quite involved in my own area with some programs, as the minister knows, I wonder sometimes whether or not the ministry has the capability to fulfil the aims that were proposed in that debate in 1977.

I will give one example of this. A few months ago, the ministry made a great to-do about the publication of a directory that was going to list all of the communities in northern Ontario. It's a three-volume directory. I am sure the minister is familiar with it. One volume is on organized communities, another volume is about unorganized communities and I think the third one deals with Indian communities in the north. This directory was very nicely bound with a soft-cover binding. It came in a package of cellophane with an accompanying letter asking for comments.

I would like to refer to some comments that were made about this directory and what they may indicate about the ministry's capability. In the *Sault Star* of Thursday, January 25, there was a front page headline: "You Can Get Lost Reading Northern Affairs Guide." It starts off by asking, "What weighs four and a half pounds, is 1951 pages long, comes in three volumes and is a crock full of information, much of it wrong?"

Mr. Foulds: That was from an official ministry press release.

Mr. Wildman: And then it goes on and says, "It is the Directory 1978, a guide to communities in the north brought to you by the Ontario Ministry of Northern Affairs."

It tells you, for instance, that White River is 320 kilometres west of Sault Ste. Marie, which would put it in Michigan, somewhere near Wisconsin. It then says that to get from Garden River to the neighbouring city of Sault Ste. Marie, you take highway 11, which would lengthen the 10-minute drive by three or four days.

It puts Aweres township, a small, unorganized area north of Sault Ste. Marie, in volume one with the part for incorporated townships. It should be in volume three because it is not incorporated. Perhaps that is why it says information is not available on Aweres, under the heading of "Local Administration."

The folks at Great Lakes Power Corporation will be happy to know—at least according to the directory—Ontario Hydro, and not they, supply electricity to the Sault. Most surrounding communities are supplied by Great Lakes Power, but Hilton township gets its electricity from a company called Great Lakes Power and Paper. It goes on and lists a number of radio stations that no longer exist and so on.

Then it says, "For you 2,000 or so people in the Goulais Bay-Goulais River area, you will be happy to know that you don't exist at all," according to the directory anyway. Most of the two or three dozen townships surrounding Aweres are not listed. But the directory dedicates whole pages to places like Casummit Lake, stating only the location and the fact that no one lives there.

Hon. Mr. Bernier: You don't know where Casummit Lake is.

Mr. Wildman: Well, no one lives there.

It is interesting to hear the explanation given by Peter Jackman, who is the ministry director of information services. When asked by the *Sault Star* about this lovely directory he said it cost \$18,000 to produce and it was put together by information supplied by ministry officers.

Then he says the ministry ordered 1,500 copies of the three-volume set and distributed them to MPPs, Northern Affairs officers, municipal clerks, other ministries and news editors. It is on sale in the government bookstore in Toronto for \$10 a set.

When told of some of the obvious errors, Mr. Jackman said he was surprised they were so numerous. But then, get this, he says, "But that is the purpose of the exercise. The aim is to produce by next fall one concise volume with all of the right information."

I would like to refer to an editorial that followed this article in the *Sault Star*. This is from Friday, January 26, and was entitled,

"A Waste of \$18,000?" It says: "On occasion there has been some question as to the value of the Ministry of Northern Affairs. One of the latest projects in this ministry, Directory 1978, can only inspire more questions. The cost of the project was \$18,000"—

Mr. Laughren: The same amount as the minister's salary.

Mr. Wildman: —"yet the directory contains numerous inaccuracies and errors that can only have northerners wondering just where this Ontario ministry gathered its information.

[3:45]

"Peter Jackman, ministry director of information services, said the purpose of circulating 1,500 copies of the directory, with all its errors, was to use the feedback to compile a concise, corrected directory next fall. Mr. Jackman must be kidding. The fact is that for a small cost the communities concerned could have been sent a single sheet containing the material on their communities and be asked to return the sheet with corrections. That wouldn't cost anywhere near \$18,000 and would not have left 1,500 three-volume sets sitting around all over the place, with all sorts of silly and erroneous information.

"If this is the best the Ministry of Northern Affairs can do for the north, it appears that some of the criticism about its limited value to northern Ontario is fully justified."

That is from a newspaper which has not made a crusade against the ministry and has not indicated that it generally looks askance at the activities of the ministry. When one considers the kind of explanation given for this obvious error in judgement by whoever was in charge, whether it was Mr. Jackman or someone else, one wonders how this ministry justifies that kind of expenditure.

Frankly, this is the reason for some of the scepticism that many northerners have about the ministry. I will refer to an example of this kind of thing. In February, I received a letter from a lady in Blind River in which she asked if I could give her some information about the activities of the Ministry of Northern Affairs. I will read a portion of the letter:

"Having tried to keep an eye on that spanking new NA baby that was going to do great things for the north and her people since its conception, its first labour pains and its birth in 1977, and its subsequent stunted growth, if not actual deformity (that is, judging from information available on the local level via media, et cetera), I am being forced to conclude that where we northerners at

least are concerned it might have been better had that particular government baby aborted."

Mr. T. P. Reid: Pretty strong words.

Mr. Wildman: This is from a 75-year-old lady, I might add.

"Needless to say, you will note from the above paragraph my feeling of frustration over the inability to learn what NA has accomplished, if anything, beneficial for the North Shore. Or could one consider the ability to pass the buck from one ministry to another at an increasingly dizzy rate of speed an accomplishment?"

"Do we have 29 Northern Affairs officers spread over the wide territory, or do we not? I am beginning to wonder if they aren't another form of placebo-soother, if you like—to make the public feel good. Certainly they," the officers, "haven't one iota of authority. Therefore, one can only assume their office was created as an intermediary seeker of governmental information as and when requested by John and Mary Public.

"Actually, despite their nice salaries, I feel sorry for the men and women employed in the capacity of Northern Affairs officers, as they carry no weight other than a data gatherer which they then parrot; that is, utter in accordance with their job regulations. Poor souls."

I will admit that is a rather extreme letter from a lady who has experienced some frustration in dealing with government and trying to get responses from government. But I must also admit that she makes a point. What authority do the Ministry of Northern Affairs officers have? Most of them work very hard in dealing with people's problems with government, whether it be provincial ministries or federal departments and so on. But in terms of actually getting across to their superiors the overall, wider needs of the community, rather than the particular needs of individuals who have problems, I wonder what their authority is.

One of the reasons we have differences about this ministry is that our two parties have very different concepts of what the ministry should be doing. We do not want to have a ministry that puts out a lot of press releases about what other ministries are doing, and really doesn't do a lot of substantial encouragement of rational, planned, northern development.

I looked at the information that was given to us beforehand and frankly I was impressed with the accomplishments listed in relation to Atikokan. But, what does that all mean in terms of the overall future economic stability of that community and how is that related to the economic development of that area and

of northwestern Ontario in general? It seems to me that the problems we have experienced with a boom-bust cycle must be solved if we are to have any kind of stability in the north. I wonder what is being done in Elliot Lake. Unlike some other communities, Elliot Lake is booming; there's no concern at this point about the kinds of problems that Elliot Lake faced a few years ago. It is expanding at a tremendous rate.

Mr. Williams: Thanks to the uranium contract.

Mr. Laughren: The biggest giveaway in Canadian history.

Mr. Wildman: That's certainly true, but I wonder what this government and this ministry are doing to try to assist the community in its very rapid expansion and all of the problems that result from that.

As the minister, I hope, is aware, the interim report of the environmental assessment board came out and it listed a number of problems. I will just quote a few of them here that are reported in the press. It refers to Elliot Lake's housing crisis and it states that this is sure to create soaring taxes and may cause unexpected social disruptions. It says the hospital in the town will soon be too small to service the town. There won't be enough permanent classrooms. Even the town's garbage dump is too small.

Elliot Lake will face almost \$2 million in interest charges on rising municipal debts until 1986, because of the extra services they will have to build to meet the population boom. There's housing in the town but most of it is being developed for the mining companies' employees and it's almost impossible for people in other sectors of the economy, the service sector especially, to get housing in the area. The interim report warns that Elliot Lake's proposed water supply system from the lake previously contaminated with radiation—what is the minister doing about that?—could be poisoned again unless special protection and an emergency supply system are developed.

It also says that early estimates of population growth by mining companies were exaggerated to exert pressure on the town and the provincial government to speed up development proposals. Some problems may be controllable but subsidies from the provincial government and major mining companies will be needed.

The final environmental assessment report is expected in June and it will deal, of course, with the radiation problem from the radioactive mine wastes that have been dumped into the lakes and millions of tons of new

waste that are expected from those contracts that have been referred to.

We have a serious problem, serious even if we don't refer to the problems of industrial health and safety, mining safety and the problems of industrial disease that have occurred in Elliot Lake. Let's just look at the community itself. I would really like to hear what this government is doing to deal with the problem of an emergency water supply system and the tremendous needs of expanded hard services for that town.

One of the difficulties we have had to face for years is that Tories never seem to understand that a booming economy of a resource-based town, such as Elliot Lake, is as economically unstable as a busting town. Surely the history of Elliot Lake should have shown that to this government. I'd like to know what the role of this ministry is in the planning for communities like Elliot Lake and how that planning for that particular community is related to the area around it. Obviously, the expansion of Elliot Lake has a tremendous effect on the North Shore and the communities on the North Shore.

Blind River, for instance, has been trying to get the Granary Lake Road built for years. I have raised this in every Ministry of Transportation and Communications estimate and every Northern Affairs estimate since 1975, so much so that the Minister of Transportation and Communications came into Blind River two days prior to the June 8 election in 1977 and said he was going to review the whole problem of the need for a shorter route between Blind River and Elliot Lake that would ease the housing problems in Elliot Lake and make a shorter commuting route to the mining community for those who live in Blind River. But after June 8, 1977, we never heard anything more about that from the minister except when I raised it with him.

I've raised it with this minister. I've written letters to him. The community has written letters to him. The chambers of commerce of both Elliot Lake and Blind River have written to the minister.

Mr. Ruston: It's like the Brampton charter.

Mr. Wildman: And we get lots of very nice replies saying, "We'll take that into account. We'll consider your views," but that seems to be as far as it goes.

For that matter, what is being done by this ministry to help Blind River in its planning in relation to what is happening in Elliot Lake, in relation to the proposed developments on the North Shore?

I recently attended a Porter commission hearing in Blind River where the mayor of Blind River appeared before the commission and said he didn't think their community was getting enough assistance, especially from Ontario Hydro, in planning for the kind of expansion that is already starting to take place in Blind River as a result of what is happening in Elliot Lake. And they certainly aren't getting any help from the mining companies in Elliot Lake. They won't even look at the North Shore communities. I'd like to know what's happening there.

I realize that the mayor, Mayor Gallagher, met with the minister back in late January.

Hon. Mr. Bernier: We didn't see the local member there either.

Mr. Wildman: That's right. The minister knows the background of that. I was quite willing to go and the minister was quite willing to have me, I'm sure he was—I hope.

Hon. Mr. Bernier: That speaks well for the local member.

Mr. Wildman: But I was talking to the mayor a couple of weeks ago and I asked him if he had received a response from the ministry on the need to upgrade the town sewer system to make it possible to have the expansion that is anticipated in Blind River.

There was an article published in the local weekly newspaper on the North Shore after that meeting, with a nice picture, in which the headline was, "Bernier Pledges Support to Town." It talked about the town's plans for sewer upgrading and how important it was for the expansion. This, by the way, was supported by the Ministry of Housing which has put out an interim report on the development of Blind River and the need for the improvement of the sewer system there to make it possible. In this article, to quote, "Mr. Bernier told the delegation that he would ask his staff to review the proposal with all the government agencies concerned to explore financial assistance."

The minister knows that in the past the Ministry of the Environment has denied assistance to Blind River for upgrading its sewer systems to allow for expansion.

Two weeks ago I spoke to the mayor and he said that as yet he hadn't received any kind of firm response from the minister. I understand that the mayor spoke to the minister at the FONOM conference—the Federation of Northern Ontario Municipalities conference—and the minister indicated he hoped to have a response for him in a week or two. I'd like the minister to tell us here what his ministry is going to do, specifically for Blind River in relation to this

particular problem and, in general, for Blind River and the other North Shore communities that are expanding and feeling the pressures as a spinoff of the development in Elliot Lake.

[4:00]

It's of utmost importance that the minister make clear that his ministry is able, if it has the power—and here's a great chance to show that it does—to co-ordinate what the various ministries are doing for the development of the North Shore and make that kind of commitment for co-ordinated development, which he has indicated is the major purpose of his ministry.

One of the problems we as northern members face—certainly on this side of the House anyway, as we see it—is, as my colleague from Nickel Belt has said, that this government never seems to direct development in the north. All it seems to do is direct development grants to the north. I'd like to know what the ministry is doing to involve the North Shore communities themselves and their municipal officials in a co-ordinated planning exercise for that whole area.

For that matter, I'd like to know the status of the proposed North Shore economic development committee. I attended a meeting in January in Blind River with a member of the ministry, along with members of the Ministry of Industry and Tourism and municipal officials from the North Shore, to discuss the development of such an economic development committee and what kind of grant or assistance might be available from the provincial government. I would like to know what is happening with that. Also, it would be interesting if the minister could indicate what progress the Manitoulin committee, which has received funding, is making in its efforts for the development of Manitoulin Island.

In talking about the problems of a community like Elliot Lake and the spinoff for other communities, I think it would be even more important this afternoon if the minister could explain to us what really is the role of this ministry in the so-called cabinet committee on the economic future of mining communities, which was announced by the Premier (Mr. Davis) in November 1977.

Mr. Bolan: It's a joke.

Mr. T. P. Reid: He had to say something then.

Mr. Bolan: That's a smokescreen.

Mr. Wildman: The member for Sudbury East (Mr. Martel) raised this question.

Mr. T. P. Reid: The member for Rainy River raised it two weeks before that.

Mr. Bolan: Where were you?

Mr. Wildman: I was up sloshing around in water.

He raised that with the Treasurer (Mr. F. S. Miller), I believe. The Treasurer was the Minister of Natural Resources at the time this committee was supposedly set up. The Minister of Natural Resources was supposed to be the chairman of the committee and I believe the then Deputy Minister of Northern Affairs was supposed to be the secretary of the committee. I would hope Art Herridge knows more about this committee and its activities than the Treasurer indicated he knew. He didn't even know who the chairman was. He went rushing over to talk to the present Minister of Natural Resources to ask him if he knew anything about this committee.

Mr. T. P. Reid: And he didn't.

Mr. Wildman: He didn't. He was unaware of it.

Mr. Bolan: He's the minister of falls.

Mr. Wildman: That was one of the worst examples of stumbling around looking for answers I have ever seen in this House. Obviously, if this committee has met—and the Treasurer indicated that it had met and had dealt with a number of particular communities—it is now moribund. It has done nothing. If it has done anything in terms of a general policy for development in mining communities and for assistance to those communities, I'd like to know about it. I hope the minister, whose deputy is supposed to be the secretary of the committee, can indicate.

As a matter of fact, as far as I can see, this minister is the only minister of all the ministers who were appointed to that committee who still has the same portfolio. That's an example of how fast we shift portfolios around in this government because we have such a difficult time finding the personnel to carry on the job.

Mr. Bolan: Wait until he's Minister of Energy. How would you like Energy?

Hon. Mr. Bernier: No thanks.

Mr. T. P. Reid: That's a shift in responsibility too.

Mr. Wildman: We need overall planning to bring stable economic development to the various regions of the north. It must be integrated into an overall economic plan designed to utilize the wealth generated in the north by our resources to diversify the economy and provide jobs. If we can do this and provide

stable economic growth with the jobs that will produce, then we will be able to provide the kinds of services I have been talking about that we need.

If we use Ontario's wealth and look at how it is used now, the direction in which it is used and what is done with our wealth it is right now directed by multinationals. We all know the main purpose multinationals have is to maximize profits. Quite often, as we have seen—certainly in the example of Sudbury, and the member for Nickel Belt can testify to this much better than I—the maximization of profits in many cases works against the diversification of the economy in northern Ontario and against the development of the jobs that we need. I would like to know what this government and what this ministry are doing to deal with that situation. I don't really see it doing very much.

If we are going to have the kind of employment we need and stop the out-migration of population we have in northern Ontario then we have got to develop secondary manufacturing. Without that kind of stimulus we are not going to be able to turn our large communities, even places like Sudbury, into much more than mining camps.

A year or two ago I was at a meeting in Timmins. We think of Timmins as a community of about 50,000 people, a long-established community. We met with a number of miners there to discuss problems. There was an elderly man close to retirement and he kept referring to Timmins as a camp. He would say: "We do this in this camp and the mayor of this camp does that," and so on. When you really think about it, he was right. Communities like that are camps. Once the resource has run out, everybody is going to have to pull up stakes and leave, unless we develop something in the interim that is going to maintain the community as an economically viable unit.

Mr. Bolan: That's the colonial syndrome.

Mr. Wildman: Yes. Right now it is more profitable to extract and export our raw materials for the private corporation than it is to fabricate them into products in the north. It has been that way ever since we started development in northern Ontario and it is still that way. The only large exception we have in Ontario is the steel industry and that is the exception.

Investment in Ontario is put into mining and the concentrating of ores and into the harvesting and pulping of timber. The private exploitation of our natural resources means that our human resources are not fully developed and not fully employed and as a

result we have unemployment and out-migration.

We import our extractive machinery. The member for Sudbury East has been trying for years to persuade this government that it makes sense to develop a mining machinery industry in northern Ontario. We are one of the largest mining countries in the world, and yet we import most of our mining machinery. I would like to know what this ministry has done in looking at that problem and in trying to encourage that kind of development in northern Ontario.

If we don't have it, we are going to continue to have one industry towns in the north where survival depends on the vagaries of international competition. That has been shown in Sudbury so many times that you can understand the frustration of those workers that led to the rejection of that contract proposal.

The other problem we have, and I referred to this when I was dealing with Elliot Lake, is that often the developments in northern Ontario, these kinds of mining developments especially, but also pulp and paper developments, produce massive pollution. For some reason this government has decided that when extraction produces profit that profit will go to the private companies, but when extraction produces pollution the cost of cleaning up that pollution goes to the public sector.

I wonder what this ministry is doing to try to deal with situations such as we have throughout the north in terms of dealing with our pollution problems. Our economy is cyclical, it has remained cyclical, and apparently nothing is going to be done about it. This ministry doesn't seem to be doing very much about it.

In dealing with the problems we have in the economy in northern Ontario I'd like to refer to a paper prepared by the director of long-range planning in the regional municipality of Sudbury and presented to our caucus when we held a mini-caucus in Sudbury in February. It refers to the cyclical economy of the Sudbury area but I think it really relates to all of northern Ontario. He, at one point, tries to determine whether or not you should describe the cyclical economy as a yo-yo or a roller-coaster. He comes to the conclusion, a roller-coaster is perhaps more accurate, since a yo-yo is expected to come back up, but a roller-coaster does not necessarily climb the next hill if the ride has ended and the price for a new trip has to be paid. That's really where we're at in northern Ontario.

If we look at the record of this government in the past number of years in trying to deal

with this problem, it doesn't give us much encouragement. We've got little diversification in the economy. We're still mining- and forestry-based and subject to the economic swings in those sectors.

The jobs creation carried on by the government has been spotty and we continue to lag behind the rest of the province in terms of occupational choices. Of course, as I mentioned, this leads to the outflow of our young people who are seeking jobs.

I'd go on with this, but I probably know the minister's response. He's going to call me doom and gloom, which seems to be a line which is used whenever someone talks about the realities in northern Ontario. Before I go on with it, I can only say to the minister, if he wants to bring up doom and gloom, I'm going to refer to a letter I received from him about Missanabie. It is the first time I ever heard a realistic assessment of the future of a community that is threatened, from this minister. I didn't stoop to calling him gloom and doom. I would like to hear at some point what's going to be done about Missanabie.

The northern Ontario economy is declining relative to that of the province and the country as a whole. If the present trends continue, it will become an absolute decline. Between 1961 and 1971, Canada's population grew by 18.3 per cent. Ontario's population grew by 23.5 per cent. Northern Ontario's population grew by 7.5 per cent, about one third those of the province and the country as a whole. Between 1971 and 1976, Canada's population grew by 6.6 per cent, Ontario's population by 7.3 per cent, and northern Ontario's population by one per cent, about one seventh of the province and the country as a whole.

In 1966, 27,000 workers were employed to produce 42 million tons of ore in northern Ontario mines. In 1973, only seven years later, 24,000 workers were employed in producing 60 million tons of ore for those same mines. This, of course, relates to the capital intensive nature of mining but it also indicates the number of job opportunities is dwindling in the north.

Between 1967 and 1978, in forestry, the sawmill worker's output per mill doubled. Output per logger rose by over 50 per cent. This is a very interesting point dealing with the female participation rate: In 1971, the percentage of females 15 years of age and over who were in the labour force stood at 44.3 per cent in Ontario. For northeastern Ontario, it was only 35.6 per cent, which is a direct reflection of the lack of job opportunities for females in the north.

Between 1961 and 1971, immigrants contributed 24 per cent of the growth of Ontario's population. Only in northern Ontario, of five Ontario planning regions, was the net contribution of immigrants negative. Nineteen thousand more foreign-born persons left the region over this 10-year period than entered it.

[4:15]

If that is gloom and doom, then I am afraid I am gloomy, because those are not statistics I made up; they deal with the job opportunities and the realities in northern Ontario. The minister says in his opening statement that he is struggling with the problems of the north. Well there are some problems he should be struggling with, and I wonder what is being done.

With the exploitation by private industry of our natural resources, we have not succeeded in creating long-term development and, frankly, there is little evidence we ever will. It is too easy for a large resource corporation to do as it pleases and to invest elsewhere. We continue to be dependent on them, and they continue to export. My impression of the minister is that he is in favour of that kind of export. Concessions have been made in the past to companies that wish to continue exporting, and I just do not think this minister is committed to any alternative route.

This party is determined, if we become the government, to build an increasingly self-reliant economy so that we do not face this kind of situation. I would like to see the minister get up some time and say that he is in favour of us controlling and developing our own natural resources in the way that they have done in Saskatchewan. Otherwise, we are going to continue to face the problems that I have listed.

We have to recover from our resource taxation adequate capital to expand the economic infrastructure and to stimulate diversification; only that can give long-term economic stability to our communities. That is why, during the debate on the bill creating the ministry, we suggested the establishment of a Tomorrow Fund for northern Ontario. If we can use the income that should be derived from our resource sector for the development of an expanding manufacturing sector in the north, then we will have a bright future to look forward to. But once the resource is depleted, there is nothing, as things stand now, to prevent single-industry towns from collapsing; absolutely nothing.

If one looks at the record of the ministers of this government, they seem to accept that. Certainly the former Treasurer accepted it. As

we all know, during the 1977 election campaign, he went to Sudbury and said that, as far as he was concerned, we could not expect secondary manufacturing in northern Ontario for 20 years; at one point he even said within his lifetime. I do not know whether he felt his lifetime was equivalent to 20 years but, at any rate, his lifetime in this government was not particularly long after he said it. If that is the attitude of the government, then we have nothing to hope for.

I really hope that the minister in his reply will get up and say that he is repentant, that he has changed his views and that he is going to use all of his power to try to develop the resources for northerners and for the whole province.

I do not like to be gloomy. I do not like to speak of gloom and doom, as he says. I am very optimistic that we can persuade the minister to change his position. I would like to see the minister get up and say that he really means it when he talks about the need for expansion and exploration development of new mines in the north. I would like him to say that he is willing to set up a crown corporation to carry out that exploration.

Hon. Mr. Bernier: Don't hold your breath.

Mr. Laughren: John White promised it in 1975.

Mr. Wildman: Yes; and when the bill was introduced in July 1977, the minister said he was going to embark on a three-year program of mineral exploration and development that would produce stability and source of supply for the mining industry. I would like to know what is happening with that three-year program. We are getting close to the end of the three years, and I hope the minister will give us some report on what is happening with it. I hope he is not referring to the Northern Affairs geological survey program which deals, as far as I know, simply with aggregates. If that is what he is talking about, that is hardly the kind of exploration and development for new mines that we hope for. It is completely inadequate.

We need more primary development. We would like to know what you are doing with the Ministry of Natural Resources to try to encourage this. We need to force the companies, if we have to, to use their profits to diversify the economy of the north, and I just haven't heard the minister talking about these kinds of things.

For that matter, I fail to see how this really can be the main ministry charged with developing the economy of the north when it doesn't even control the Northern Ontario

Development Corporation. For some strange reason NODC still is under the aegis of the Ministry of Industry and Tourism. Not that I think that NODC's record is particularly effective; certainly on the North Shore it hasn't been in terms of industrial development. It has had some success in the tourist sector.

Mr. Bolan: They have a good bankruptcy record.

Mr. Wildman: Yes, they have quite a bankruptcy record. The problem with NODC, of course, is it takes a passive stance in the development loan game and, frankly, I think that is a guarantee for failure. The amounts of money that it puts into development are trivial when compared to the task that is required.

The northeastern Ontario regional strategy proposed that NODC should be broadened and strengthened. What has happened with that? Nothing. It also proposed, as a matter of fact, a regional office for NODC in Sault Ste. Marie, and we haven't seen anything of that. But that is not that unusual, because a lot of these reports that we have had over the years, away back to the 1950s, and studies that have been done by this government on the north, really very seldom lead to anything. They all sit somewhere, I suppose in the Ministry of Government Services, gathering dust.

I would really like to know what the minister is doing in terms of specific programs. If we look at the record of the minister when it comes to the wild rice development in northwestern Ontario one has to wonder. I would like to know what is happening with the serious complaints that have been raised by Treaty No. 3 in relation to the proposed changes in policy of the government on wild rice development, and what commitment this ministry has to the co-ordinated development in that area so that the native people and the other people of the region will benefit equally.

Hon. Mr. Bernier: Say that again.

Mr. Wildman: I would like to know what the ministry is doing to co-ordinate that kind of development in that industry in the area so that both the native people and the other people in the area will benefit.

Hon. Mr. Bernier: You are in favour of that?

Mr. Wildman: I am in favour of that, but I am in favour of it only if it is agreed to by all concerned, and the traditional rights of the natives have to be respected and there cannot be any—I hesitate to say it, but

I will—favouritism involved in any kind of development in that area. Not only must there not be any favouritism, there must be seen to be no favouritism in the area. I really mean that; I think that is very important.

I would like to turn away from directly discussing the economy of the north and deal with some of the service problems we have in northern Ontario. Obviously they are related, because we have to have planned economic development in order to be able to provide northerners with the services that southerners take for granted. With me and with this party, one of our highest priorities is health care, and I would like to talk a little bit about the underserved areas program of the Ministry of Health.

Again, I am a little mystified as to this ministry's role, other than putting out press releases, in the underserved areas program and I would like to have some information about that. We have between 40 and 50 vacancies for doctors in northern Ontario, some of them in communities where we have actually built clinics to try to attract doctors. We still have those vacancies. We have vacancies for 15 dentists in northern Ontario.

My own area of Hornepayne is short one doctor; White River has a doctor but is still short of care; Wawa is experiencing serious shortages; and Dubreuilville, of course, does not have any doctor, and it took us a long time to even get a nurse practitioner there. I admit that Dubreuilville has extra problems in that it needs a bilingual person in order to deal adequately with the community and it is not easy to attract one. I would like to know what this ministry is doing in general about that problem—the problem of providing francophone medical practitioners in northeastern Ontario where they are needed. There is a tremendous shortage.

As a matter of interest I would like to know what the cycle is for the dental van. How often does it get back to a community once it has served it, or does it just arrive and then one does not see it for years? I would like to see what the minister's role is in that, or is that all covered by the Ministry of Health?

That is also true of the optical services carried out under that program. As the minister probably is aware, the Ministry of Health at one point suggested it would not extend further funding to that program. Through a number of pressures from various groups throughout the province it was extended, but I would like to know what

your ministry's role was in that, because I really do not know.

I realize the minister has announced he is reinstituting the bursary program to try and attract more young doctors and dentists to northern Ontario. I would like to know why he thinks it is going to be more effective now than when it was in effect before.

Generally, all these questions relate to the central one: What is the role of the Ministry of Northern Affairs in planning for health care in northern Ontario?

When I raised the question of the commitment for northern Ontario hospitals in the House with the minister, he referred me to the Minister of Health (Mr. Timbrell). Again, an example of the minister referring me to the lead ministry. Obviously the Ministry of Health is involved, but what role if any does the Minister of Northern Affairs have in advising and requesting the Ministry of Health to respond to the needs we perceive in northern Ontario?

Mr. Laughren: Passes the buck.

Mr. Foulds: Beat him about the head.

Mr. Wildman: When we did finally go to the Minister of Health and later to the Premier (Mr. Davis) for some assurance that we would have assistance for northern Ontario hospitals we got absolutely nowhere. The northern Ontario hospitals are threatened by the Minister of Health's arbitrary edict to ration to 4.5 beds per 1,000 of population in northern Ontario. I would like to know where on earth that 4.5 or the previous ratio came from. They seem completely arbitrary.

Mr. Foulds: They are.

Mr. Wildman: There is no justification, no explanation of why that is adequate or isn't adequate or anything. What input did this ministry have in coming up with 4.5?

When we raised that with the Premier we asked him if he could commit the government to extend the 10-bed cushion that has been given to hospitals with fewer than 100 beds, and also to ensure that a minimum of funding for the bare minimum of 4.5 beds per thousand for all communities in the north would be provided. Frankly, the Premier treated the whole matter frivolously. He did not give us a serious response. For some reason he got up and started referring to Algoma. I had not asked him about Algoma; I asked him about northern Ontario. As a matter of fact, except for Hornepayne, most of the hospitals in Algoma with the 10-bed cushion are not hurt too much by this edict by the Minister of Health, but there are certainly a lot of other hospitals in other parts of the north that are.

One cannot expect small hospitals in isolated communities to cut hospital beds without seriously undermining the health-care system for those areas, because these hospitals provide a wide range of services for large areas. We have to have flexibility. This minister just does not seem to have been too effective in getting that kind of flexibility from the Minister of Health.

[4:30]

I have some examples. In Hornepayne, for instance, seven beds may be cut from the present total of 13 beds in the Hornepayne Community Hospital, unless the temporary 10-bed cushion is extended beyond the end of this year. It is the same story in other hospitals: Bingham Memorial in Matheson could lose 55 per cent of its beds; Smooth Rock Falls, 42 per cent of its beds; Lady Minto in Cochrane, 38 per cent; Anson General in Iroquois Falls, 38 per cent; Notre Dame in Hearst, 36 per cent; St. Joseph's in Blind River, 25 per cent; St. Joseph's in Little Current, 38 per cent; Chapleau General, 35 per cent; Lady Dunn in Wawa, 24 per cent; Mattawa General, 39 per cent; Englehart, 35 per cent; Haileybury, 38 per cent and Kapuskasing 23 per cent.

In the northwest, Manitouwadge could lose 54 per cent of its hospital beds; Geraldton, 38 per cent; Nipigon, 33 per cent; Red Lake, 32 per cent; LaVerendrye in Fort Frances, 18 per cent.

Mr. Laughren: I thought the Minister of Northern Affairs was going to improve services in the north.

Mr. Wildman: I would like to know what input the minister had in these kinds of decisions.

Hon. Mr. Bernier: You guys forced a \$9 million reduction over the next year.

Mr. Wildman: Are you trying to tell us that if you had got \$9 million you would have given it to the Ministry of Health to carry out the services we need for these beds in northern Ontario? Is that what you're saying? Come off it!

Mr. Laughren: What a weak minister!

Mr. Wildman: I would like to know how, if the minister takes this seriously, he expects these small hospitals to continue to operate when they face such massive bed and consequent staff cuts. A small hospital just can't cut out a ward like some urban facility might be able to do, because often we only have one ward in the first place. The thing that really is most galling is that the Minister of Health made a commitment, when he made his announcement this year, that hospitals

with less than 50 beds would have a minimum increase in budget of 5.3 per cent; and yet the northern Ontario hospitals will receive an average of 3.6 per cent this year, which comes nowhere near keeping up with inflation.

The Minister of Health is reneging on his commitment to give the hospitals with less than 50 beds a minimum increase of 5.3 per cent this year. In fact, Bingham Memorial, Anson General, Geraldton District and Manitouwadge hospitals, which all have less than 50 beds, are not getting any budget increase in 1979 and 1980, not one cent; so much for the commitment of the Minister of Health.

I don't hear this minister getting up anywhere in this House or in the north and saying: "We can't put up with this. We don't want it"; or saying he's going to go to the Ministry of Health and ensure that at least he lives up to his commitment for the 4.5 beds. If I seem somewhat frustrated with the ministry in that regard I am.

How does the ministry expect to be able to attract doctors to the north through its underserved area program unless it is willing to fund the medical facilities they operate in? In relation to the list I gave you, I'd like to know what happens to those hospitals when the 10-bed cushion expires at the end of this year. How do you expect Hornepayne to operate with seven less beds when they have only 13 now? I'd like to know that.

In terms of other health-care services, let us turn to psychiatric services in the north. I read an article recently from the Medical Post of February 27 which was really alarming. It dealt with the suicide rate among young people in Ontario. The headline was "Suicide Rate Among Young up 32 Per Cent in Ontario." That's alarming enough, but then when one goes on through the article it points out that the suicide rate in northern Ontario is three to four times as high as the provincial average of nine suicides to 100,000 population.

I would like to know what we're doing to try to provide the kind of psychiatric and social services needed to deal with the social problems that contribute to this kind of statistic. Cutbacks certainly aren't going to provide new services where we don't have any now. In the area where I live, east of Sault Ste. Marie, there are absolutely no family counselling services; there are no children's counselling services. The only thing you can do is go to Sault Ste. Marie and get on the waiting list, and maybe get accepted in the Sault; maybe.

Mr. Laughren: How does the minister hold up his head in northern Ontario?

Mr. Wildman: I mentioned the problem of francophones and the need for francophone service. Imagine the problems of a francophone if he has a psychological or psychiatric problem, wants to get that treated and can't speak the same language as the practitioner; how on earth is that dealt with? If you're a francophone from Dubreuilville in my riding and you go to Sault Ste. Marie for treatment you're pretty well out of luck. You're probably a lot more likely to get treatment if you can speak Italian than you are if you can speak French.

Mr. Laughren: The minister doesn't look too concerned.

Mr. Wildman: There is a need for many other services in the north. We need group homes for the mentally and physically handicapped. We've got a group home which just started in Sault Ste. Marie to provide a few spaces for Algoma district, but there are none for the physically handicapped.

I wrote to the Minister of Community and Social Services (Mr. Norton) about this problem and the need for a home for the physically handicapped in Algoma district. He wrote back and said he understood the need and pointed out they were going to develop one in Thunder Bay. The problem we have and the thing I wish you were doing as a minister is explaining to people and ministries in southern Ontario that it is as far from Sault Ste. Marie to Thunder Bay as it is from Sault Ste. Marie to Toronto.

Mr. T. P. Reid: That's where they're putting all their northern offices.

Mr. Wildman: I'd like to know why providing service in Thunder Bay is going to help us in Algoma any more than putting service in Toronto. Some of those families can't look after their own children. You are forcing young people, especially when they get to be young adults, to separate. You're forcing those individuals to be moved away from friends and relatives. I just hope you're trying to impress upon your colleague that the distances in northern Ontario just don't relate to the formulas the Minister of Health and the Minister of Community and Social Services deal in; they just don't apply.

The same goes for care of the elderly. We have inadequate services for them. If you're from White River and Wawa in my riding and if you're an elderly couple and need institutional care, the closest home is in Sault Ste. Marie, which is 140 miles away. That means you're going to divide that couple.

When you go to the Ministry of Community and Social Services and ask them for assistance and point out the need for an institution in the north end of Algoma, they say, "We've got enough beds for 1,000 population in Algoma already." According to their formula, they do; there is no question, they do; but they're all in the southern part of Algoma.

I think one of the biggest mistakes we made in this province was dividing the road map in half and putting northern Ontario on the back.

Mr. Bolan: They still don't know where it is.

Mr. Wildman: The problem is they are drawn to two different scales. When the people in the south look at the northern part of the map they don't realize what the distances really are.

I think in ministries like the Ministry of Health and the Ministry of Community and Social Services we have a rather slow-moving bureaucracy which I would hope the Ministry of Northern Affairs is doing something to speed up. However, I'm not too encouraged when I read an article in a magazine called *NorAct*. I don't know how many of you have seen *NorAct*; it's a new magazine published in Hearst and Kapuskasing. It deals with northern Ontario problems in development, and certainly its editorial stance is not *New Democrat*. There's an article here that deals with homes for the aged.

It starts off: "Every letter we've had from the Ministry (of Community and Social Services) is a stall," claims the administrator for the Cochrane District Homes for the Aged for funding a third such home, proposed for Hearst.

"And previous announcements by the ministry about provincial aid to help deinstitutionalize residential care for the aged are more and more looking like 'false promises,' the official, Ken Wollan, also the board's secretary-treasurer, said.

"The Hearst home, part of a package proposal initiated last fall by the homes board of management, would be unique: a regional 12-bed satellite home attached to the Sisters of Providence-owned Notre Dame Hospital. Its location would be the modern two-storey vacated Sisters' residence at the hospital's south side."

What we are talking about here basically is that the facility is already there; it won't cost the ministry any capital funds to provide this facility, it's being donated; yet they don't seem to be getting anywhere.

"A yearly operating budget of \$80,250 is sought from the ministry to operate the proposed Hearst home. Of this, \$12,825 would come from the 12 participating municipalities, all of whom have agreed to provide funds based on an equalized assessment formula.

"Remaining funds are to come from the residents and the province, the latter's share being \$30,000." The Cochrane District Health Council has approved it and has endorsed both the Hearst and Smooth Rock Falls project.

What we're talking about is an operating cost of \$30,000 for a new facility. It's just not getting anywhere.

They say: "In addition, the board has asked the minister"—that being Rene Brunelle, and Keith Norton—"to approach Northern Affairs for a contingency capital fund in case of 'minor capital expenditures of an unforeseen nature,' Mr. Wollan said. So far there has been no reply from Léo Bernier's ministry."

If this is an example of how responsive this ministry is going to be in trying to get through the red tape that is produced by other ministries in southern Ontario, it's not very encouraging.

This article finishes off by saying: "Keeping senior citizens in their home community, providing community projects, and deinstitutionalizing services have since 1975 been goals emphasized by Community and Social Services, he said, referring to former minister James Taylor's announcement at the McIntyre Community Centre in Schumacher that year to fund such non-institutional residential care. Mr. Wollan says: 'So far, nothing has materialized. Maybe these are all false promises.'

"In the meantime, Mr. Wollan and the homes board await a reply from Mr. Norton's ministry. 'If the province will not approve the regional satellite home for the aged in Hearst or the elderly persons centre in Smooth Rock Falls—then we feel that they (the ministry) are not really concerned for the needs of the elderly in northern Ontario.'"

It's the same case in Wawa, as far as I'm concerned. The Ministry of Health, to be fair to it, has expressed some interest in providing institutionalized care for those who need it in Wawa, but we're getting absolutely nowhere with the Ministry of Community and Social Services. I don't think it's because the minister is some kind of ogre or he just isn't interested; frankly, it's because of the Treasurer and the fact that the ministry just isn't being given the funds. There is nothing, as

far as I can see, that the Minister of Northern Affairs is doing to try to get those funds.

When we talk about the problems of services in organized communities in the north, we have serious difficulties, but when we look at the unorganized communities and the lack of response from government, then we really are discouraged.

[4:45]

In unorganized communities we lack proper water and sewage facilities, garbage and waste disposal, fire protection, street lighting, recreation and so on. In some areas it is particularly a problem. My colleague the member for Nickel Belt (Mr. Laughren) can talk about the problems of Gogama and the water problems there.

We have the Isolated Communities Assistance Fund. When it was first announced the then Treasurer, Darcy McKeough, said it was going to deal with fire protection problems and also water problems. But when you look at the amount of money that has been given to this fund over the years it is absolutely ridiculous to say it would deal with water problems. There just isn't enough money there.

That program, the Isolated Communities Assistance Fund, was really disorganized when it started out. I think it was an admirable attempt to deal with fire protection problems in the unorganized communities, but it was announced prior to the planning. The announcement was made, funds were distributed and then they started thinking about how they could put the program together and what guidelines they should have for it. Because of the confusion which resulted, some communities were hurt.

Many communities have really benefited under the Isolated Communities Assistance Fund, and I congratulate the ministry for the work they have done on that. A number of communities have received fire equipment and training and so on, but a number that had gone ahead on their own before seem to have been penalized because of that. In other words, the communities that didn't have any fire protection and hadn't really taken the initiative to try to provide it on their own, in some cases did receive fire protection equipment. Others that had proceeded on their own through private donations, volunteer help and so on, when they applied either didn't get what they applied for or got just a portion of it because they already had some equipment, even if that equipment was inadequate.

I know the deputy minister and officials of the ministry know the community I am

thinking about. I am talking specifically about Searchmont in my riding. That community went ahead and worked very hard on its own to obtain a pumper truck and so on. It applied for and got some assistance from the ministry when the program was first developed. But that pumper is inadequate; it can't make the hills in the wintertime, it doesn't carry enough water. When they get going and actually get a fire under control they run out of water and have to leave to get more water; when they come back the house has burned down.

This government and this ministry won't give them the equipment they asked for. The excuse they used at one point was that there was a study for a municipal organization being carried on by the Ministry of Intergovernmental Affairs in the area. The fact is they got equipment even though that study was going on at the time; to argue they can't get more equipment now I think is somewhat ridiculous.

I know the minister has been carrying on meetings throughout northern Ontario, and I have attended a number of them, to deal with the establishment of the local services board the Unorganized Communities Association of Northern Ontario has proposed. I think I have already told the minister, but I want to put on the record that we will support the principle of the proposal, especially because it is permissive. It is not something that is being imposed, as was proposed in Bill 102.

But I think the flood situation and the government's response to the problems of flooding in northern Ontario have proved that a one-for-one matching is completely inadequate. The government itself has realized that in terms of the flood situation and gone to four to one for northern Ontario. One to one is something we just cannot accept and will not accept. It is important for us to put that on the record prior to the government introducing the legislation. We support the principle, we think it gives the community the option if they want it, it gives them the ability if they wish to take the initiative to do it, to provide services they deem necessary for the community, but one for one is just not acceptable.

The whole bill as it is proposed seems to be patterned after the local roads boards legislation, right up until we get to the funding portion. The local roads boards get two for one; but suddenly, when he got to that portion of the local roads board legislation the minister reverted and said, "We'd better look at what the municipalities get." He averaged it out and came to the conclusion

that municipalities on average get about one for one, or 50 per cent; somewhere in that range. Therefore, he said, that is what we will give to the unorganized communities that organize local services boards. It would have been a lot more sensible, since he is patterning the legislation after the local roads boards legislation and it's designed to deal with the problems of unorganized communities that have small populations, low tax bases and difficulty in raising money, to have gone all the way with the local roads boards legislation at least.

Mr. Laughren: The minister will probably cut back the local roads boards grant to make them even; that's his style.

Hon. Mr. Bernier: Who spends the money on local roads boards?

Mr. Wildman: MTC does a lot of that work.

Hon. Mr. Bernier: That's right; they do it all.

Mr. Wildman: MTC does a lot of the work for the small municipalities on their roads too; that is immaterial. And the municipalities do not get two for one.

I have some questions that have resulted from the meetings I have attended on the local services boards proposal. First off, from what the officials have said at these meetings, it seems unclear whether the ministry will help to fund the difference between what are standard grants from a lead ministry on a particular project and the total cost of the project.

For instance, under the new program of the Ministry of the Environment for assistance in rehabilitating wells, I believe they will fund up to 75 per cent of the cost of improving private water supply in rural communities; the other 25 per cent has to be raised locally.

My question is this: If there is a local services board that applies for funding under that program, will it be eligible for 12.5 per cent funding from the Ministry of Northern Affairs over and above the 75 per cent when the proposed one-for-one funding is taken into account? In other words, will the one-for-one that the minister is proposing apply over and above the standard grant from the lead ministry? I would hope that is the case.

I have some very serious problems about the suggestions made for how the local services boards should raise funds. It seems to me that user fees are not particularly fair for some services; it would make more sense to relate them to assessment. It would seem fairer if the whole thing were based on the local roads boards proposal, since local roads boards use that system. But I do not parti-

cularly like the other proposals either. For instance, in terms of bake sales and bingos, I really wonder how much money can be raised by bake sales and bingos. It seems to me that the minister here is trying to have his cake and eat it too. Really, it must be two for one, and we have to make more funding available.

There are a couple of other things that I found a little alarming in some of the meetings. It was suggested at one point, for instance, that there might be a local services board but a particular service might not be needed for the whole area; so services could be provided in specific areas and, if they were using user fees, for instance, the people using that service then would pay for it and the others would not. That seems rather complex; I know it relates to some of the things that municipalities do in terms of service areas and so on, but it does seem complex.

The other thing that worried me is there was a suggestion that at the annual meeting of these proposed boards they could change and adjust their boundaries if they wished. It seems to me that in order to have some kind of stability in terms of raising funds and providing services, you are going to have to set the boundaries for a certain period of time, five years or something like that, so you would have some stability and the ability to plan ahead.

I won't make any further comments on the local services board proposal except to reiterate we support the principle, especially since it's permissive, but we are unhappy about the proposed funding.

Mr. Chairman, at the beginning of this I said I felt the Ministry of Northern Affairs is an important portfolio, but in order for it to be important and to carry out an important role it must develop an active planning, co-ordinating and development function. It must really have real influence on the government and on government policy and be able to demonstrate that it does. Our party has a great deal of confidence in northern Ontario. We have unparalleled natural resources, and we have the human resources; if we were to have the will we could have economic development that would surpass most of the countries of this world.

Mr. Laughren: Hear, hear; we are all set.

Mr. Wildman: But we face great problems. We have high unemployment. We export capital, we have dwindling population, and we lack basic hard services. When you put that with the cutbacks in already

inadequate health and social services, the picture becomes far more bleak than it should be in northern Ontario.

I don't think we need any more studies of the north. What we need is real development. There's a need for change, a real change in policies of this government. Before our resources run out, the present pattern must be changed to build a diversified economy. We have got to use the profits generated by our resources to develop processing and manufacturing that will assist in paying for our services. If the Ministry of Northern Affairs can do that in changing government policy it will have our support.

Thank you Mr. Chairman.

Mr. Chairman: Does the honourable minister have any comments in reply to the members for Nipissing (Mr. Bolan) and Algoma?

Hon. Mr. Bernier: Yes, Mr. Chairman, I think I have a few comments to make. I appreciate the input of both members, the member for Nipissing and the member for Algoma. We would hope, as northerners, the attendance in the House today is not any indication of what other members think of our problems in northern Ontario.

I think they are very real problems. I think it's fair to say we are solving some of them, but we are not going to solve all the problems overnight as some people seem to think we can. I can tell you the challenges are there and we are meeting those challenges head on.

I want to go back. The member for Nipissing raised a number of points in his opening comments concerning the funds underspent in any one particular year and how they are carried over into the next. If he's not aware, the process is we get the approval of the Ontario Legislature for one fiscal year, from April 1 to March 31. Unspent funds lapse automatically at the end of that period so there's no carryover past March 31 of the funds you approve today.

However, there is commitment for expenditures that extend on. Highway contracts are typical examples of contracts that have been called in this fiscal year and are carried over into the succeeding year. Airport construction is another typical example of contracts called in one fiscal year and carried over into the next.

In connection with the actual budget, vis-à-vis the budget and the actual expenditures from last year, those figures are being pulled together right now. Before we have finished our estimates I hope to have a detailed,

unaudited report for both members so they can compare what we passed last year.

[5:00]

Members will recall that last year we approved something like \$139 million. There were some changes, of course, with the \$9 million reduction in our budget because of the OHIP request and the OHIP problems we ran across at that time. Also there was the operation of norOntair. For example, because of improvements in the service their request was reduced by \$374,000, which made some specific changes in overall actual expenditures. I hope to have those by Friday, if we can pull them together by that time. I will get them to you just as soon as I can.

The member made comments on payments to other ministries, inquiring how we block out our funding. I would point out to the honourable member that about \$95 million of the \$141 million we are debating and discussing during these estimates is actually transferred to other ministries which actually do the work.

Highways are a good example; or community or regional priority budgets through the Ministry of the Environment or the Ministry of Transportation and Communications. That is the amount transferred, but in transferring those funds we just don't transfer them at their request. The priorities are established within the Ministry of Northern Affairs. As members well know, we work very closely with all ministries in carrying out our responsibility for co-ordination; and it is through this process that we are able to pressure or force or twist or level, I suppose—you use any word you want—to ensure the northern input is recognized, because the dollars follow those priorities we establish within the Ministry of Northern Affairs. It is a way of keeping administrative costs to a minimum, and of course avoiding duplication of any worthwhile programs that we may want to implement and to push forward in that fiscal year.

The member for Nipissing raised a question with respect to the general manager of the Ontario Northland Transportation Commission. I just want to read a short statement into the record. I know that when I do the member will understand my reason for it.

In his remarks, the member for Nipissing raised a number of questions which related to the dismissal of the former general manager of the Ontario Northland Transportation Commission. As lawyers for the Ontario Northland Transportation Commission and the former general manager of the commis-

sion are presently discussing this matter, any remarks that I could make could be—

Mr. Wildman: Prejudicial.

Hon. Mr. Bernier: I just can't pronounce that word—prejudicial; I can't get my tongue around it.

Mr. T. P. Reid: You mean he is going to get a golden handshake too, like Passmore did?

Hon. Mr. Bernier: Any remarks I make might be prejudicial to the interest of either party involved in these discussions. So I think it would be very inappropriate for me at this time, of course, to make any statements along these lines and somewhere down the road—

Mr. T. P. Reid: Do you make the statement when you pay them off?

Mr. Bolan: And how much?

Hon. Mr. Bernier: Yes, I wouldn't mind doing that certainly; and advising members just what we agreed to, because there are certain problems that arise when any severance of this kind takes place. If it is before the courts; I think members realize that I could prejudice anything that may occur at that particular time, so I hope you will bear with me when I make those comments.

I wanted just to follow up on the discussions that the members did touch on. They were very numerous, indeed. Some were helpful, for which I express my appreciation.

There was a comment from the honourable member with regard to the Bell Telephone takeover of the communications section of the ONTC. I am certainly not aware of any move in this direction.

We hear rumours surfacing in northeastern Ontario once in a while that Bell Telephone is interested. I think we all agree that the communications arm of the ONTC is very profitable. It is well run and one must compliment the commission on the way they handle that particular function. I am not aware of any overtures by Bell Telephone. In fact I suspect the commission would violently oppose any takeover by that particular company. It may well be, I suppose, that since ONTC is so successful in this area, it should be taking over the Bell Telephone section in northeastern Ontario, I don't know.

Mr. Wildman: Hear, hear.

Hon. Mr. Bernier: I am sure you like that comment.

Mr. Foulds: You expropriated the Parry Sound-Muskoka—

Mr. Wildman: The socialist from Parry Sound persuaded the government

Hon. Mr. Bernier: Yes. I have to say that was outside the Ontario Northland Transportation Commission's area of jurisdiction. It would have been too difficult for the ONTC to really operate that.

Mr. Wildman: Is Parry Sound in northern Ontario?

Hon. Mr. Bernier: Yes, we look at Parry Sound as being a part of the area we serve with many of our programs.

You mentioned Via Rail. I have to say we have had some very preliminary discussions with Via Rail, in a very general way. I think they made it very clear to us their first responsibility is to make sure the major routes of the CNR and the CPR are properly in place from a passenger point of view. The transcontinental and the other routes they have, such as Montreal to Windsor, are their first priority. They would deal with the provincially-run passenger routes somewhere down the road, and there are a number of those across Canada.

There was no commitment on either side as to what would happen. It was just a very general discussion. I think I will just leave it at that point; if something comes of those discussions it will be somewhere down the road. Certainly from my own point of view I do not see any major changes.

I have to say, however, my own assumption and my own calculations are that Via is embarked in the right direction. I am hearing some very complimentary remarks in northern Ontario about the services being offered by Via Rail. I think the attitude of getting Canadians back on the rails is a good one. Even the attitude of the running crews has improved tremendously. Hopefully, this will encourage more Canadians to get back to the rails and to move across Canada using that particular mode of transportation.

Mr. Wildman: I would like to see the ministry on the rails.

Hon. Mr. Bernier: Once in a while we are.

Moosonee Lodge: I think one should look at the factual data from Moosonee Lodge. I guess I can put it very simply. Bishop McGarity from Moosonee said to me just a couple of weeks ago in a discussion about the Moosonee-Moose Factory area that Moosonee Lodge is really a husband-and-wife operation. It is not that large; although it is certainly one that could be improved and built upon. He agreed the private sector route we have taken is the right one. The ONTC is certainly in the transportation business, but the private sector should be directly involved in a small lodge at Moosonee. There was no disruption of the service, nor any desire on behalf of

the ONTC to diminish services in selling Moosonee Lodge.

The Chief Commanda ferry is another operation we are looking at very carefully and very cautiously, particularly when one thinks that last year alone the loss was about \$80,000. It does an excellent job in promoting tourism in the North Bay area; there is no question about that and we realize that. The chairman, in his remarks to the North Bay Chamber of Commerce, made it very clear that in no way would we disband our involvement with the Chief Commanda if we could not get the private sector to take it over and operate it with equal or improved service to what we are offering now; but I have to tell the members when I look at other such tourist boats across the province of Ontario that are operating outside the public sector. I see they are all making money. I have to question and I did question the ONTC, as to why, just because it is in the public sector, it is losing money. The little operation at Parry Sound has gone out to buy another boat. They have two boats on now and they are making money.

In my own area of Kenora we have the Argyle Second operated by the private sector. It does a tremendous job and it operates at a profit. I can assure the member for Nipissing we are not going to abandon the Chief Commanda in any way, shape or form. We would just like to get out from under the deficit. Again, I suppose because of our political philosophy, we think the private sector has a role to play. We want to make sure that however and whenever this occurs, it is done in a way that maintains the excellent service and the attraction we have in the North Bay area. It is not a high priority with the ONTC, or even myself or the Ministry of Northern Affairs, but it is something that we have to keep looking at all the time because, if those valuable resources can be channelled in some other way to the benefit of northeastern Ontario, then I think they should, rather than going for a complete loss; it is something that perhaps the private sector can operate at a profit.

I do not know whether the member is fully aware, but norOntair has moved ahead rapidly. It has already become the transportation success story of the last decade. There is no question about that when one looks at the steady increase in passenger volume in the past few years. Last year we carried more than 100,000 passengers, and this year we hope to exceed that. In fact, as I said on Friday in Atikokan, to the Northern Ontario Municipal Association, last month we exceeded all expectations and

came out of the red. We are in the black now for the first time; there was no subsidy last month for norOntair. I think that speaks well for that organization, which has expanded rapidly across northern Ontario.

In fact, on May 30 I, along with the Speaker of this House, will be in northwestern Ontario to inaugurate flights from Sault Ste. Marie and Wawa to Terrace Bay and Geraldton. We will add those two communities; they are already on now, but we are going up to the inaugural ceremony on May 30. Later this year, we will be tying Hornepayne into that run, which will bring to 20 the total number of communities where norOntair is providing service to the people of northern Ontario.

As a third-level carrier, it is meeting with a tremendous amount of acceptance; in fact, so much so that already we are looking at at least one area, and maybe two, where we could put on an aircraft larger than the Twin Otter. I do not want to identify any routes for fear of raising hopes and expectations, but we are looking at the entire area. I will simply say that the one route that has the best possibility of succeeding at this time is in the northeastern part of the province, and not in the northwest.

Regarding local services boards, the member for Nipissing did make some comments and raised some questions which I will try to answer in my brief remarks. I believe he stated that there was one adverse reaction to the taxation feature. I would have to say to him that, as he knows, we have been holding meetings right across northern Ontario—we have had something like 33 public meetings to date—and communities, I have to say with a great deal of pride, are generally enthusiastic about our proposal. They welcome the provision that would leave the method of fund raising up to them so that they can shape for themselves the type of program and the type of community they want; it is not left to the provincial government to decide how they will do it.

I think the member for Algoma pointed out that the permissive aspect of it is something that is very acceptable to people living in unorganized areas. They have a great fear of government, and I guess they sometimes look at government as a threat, rather than as a help, to them.

There are three different fund-raising options. One is the status quo or voluntary option. The second is the user-pay option, where people actually will get services from

the local services board, and they will pay. The third is the taxation or assessment option, which would be tied to the provincial land tax and which would be collected by the Ministry of Revenue and passed to the Ministry of Northern Affairs; we would add our subsidy to it and return it to the community.

I just want to make one point in this connection. It is going to take a period of time to get the system working. The computer system in the Ministry of Revenue has to be brought into line, because there will be an addition to their assessment. I am confident that with the enthusiastic support of the Ministry of Intergovernmental Affairs and the Ministry of Revenue in this new proposal, which is a little different from what normal governments are used to—it is not a rigid type of proposal but something that is a little foreign to some ministries and to some people in government. We would assist on a 50-50 basis as has been discussed on a number of occasions.

[5:15]

The comment that we should be tied to the local roads boards is an interesting one. I would point out that local roads boards do get two-for-one assistance, but those funds are spent totally by the Ministry of Transportation and Communications. In other words, they collect their \$1 and the ministry puts \$2 with it and actually spends it. There's not much autonomy in the local roads board. There is with the statute of labour board. The statute of labour board gets one for one. They collect it and, if they don't want to hire MTC graders or snow ploughs, they don't have to. They can get out and contract on their own. It gives a little more autonomy and we follow the statute of labour board for that reason.

Mr. Wildman: Do you agree with MTC's position that it would like to get rid of the statute of labour boards that are left?

Hon. Mr. Bernier: I don't know. I don't think that's the feeling. You will recall some time ago I suggested we piggyback on the local roads board and the statute of labour board, and MTC officials strongly felt that after all these years they had got both of these organizations and programs operating very effectively and efficiently in unorganized areas and didn't want to upset them. They said: "Go your own route. It's working well. It's taken us years to get this far and we'd like to let it run the way it is because it's now operating on all six cylinders." I compliment them for that.

Mr. Foulds: Six?

Hon. Mr. Bernier: Six, yes; we don't have eight cylinders any more. They're too costly and energy-consuming; we've all gone on to six cylinders.

Mr. B. Newman: Dinosaurs.

Mr. Foulds: Are all Ontario government ministers' limousines six cylinders?

Hon. Mr. Bernier: Not to my knowledge.

Mr. Wildman: They're all diesels.

Hon. Mr. Bernier: About the provincial land tax, there were some interesting comments about its use. I believe the member for Nipissing suggested that maybe those funds should form a portion of the local services board. In other words, they shouldn't have to contribute further, but that we should be using their funds.

Many people in northern Ontario don't accept the fact they are getting anything in return for the provincial land tax. I don't think it's ever been pointed out to them just what the province does on their behalf. I've been doing it more and more. After they're told I think they accept it. It's not a large tax.

Mr. Wildman: What does it do on their behalf?

Hon. Mr. Bernier: At least there is something coming back.

Mr. Wildman: What?

Hon. Mr. Bernier: As an example the provincial police service.

Mr. Bolan: The same thing applies to the provincial police on Highway 400. Is there a provincial land tax on Highway 400? Come on now.

Hon. Mr. Bernier: But this is community. If you're in an organized community, if you're in North Bay, part of your tax goes to your town police.

Mr. Bolan: That's right, and I see it.

Mr. Wildman: But if you're in a rural municipality you don't pay towards the OPP.

Hon. Mr. Bernier: As Joe Clark would say, "Now let me finish."

Mr. Foulds: I wouldn't use him as your model.

Hon. Mr. Bernier: A week from tomorrow we will.

Mr. Foulds: No matter what the results are a week from tomorrow, I wouldn't take him as your model. In northern Ontario he ain't a big winner.

Hon. Mr. Bernier: Another item that is fully borne by the province on behalf of people in unorganized areas is the cost of welfare.

If you're in an unorganized municipality 20 per cent of those welfare costs are

borne by the municipality, but that is totally borne by the province in an unorganized community. Payments for the homes for the aged are borne by the province; the costs of children's aid societies are borne by an organized municipality, but there is no direct cost to the people of unorganized areas.

Another area that was pointed out to me just the other day was hospitals. Hospital construction in northern Ontario is funded five sixths to one sixth. In southern Ontario, it's two thirds to one third. Those people in the unorganized areas do get help.

Mr. Wildman: There aren't too many hospitals in unorganized areas.

Hon. Mr. Bernier: I know, but the province does pay their share by that extra funding. If you look at all those things, you will see there are benefits coming back. Maybe they are not as direct as you and I would like to see them, but nevertheless they are there.

I would like to make one correction. The member for Nipissing mentioned that about \$15 million was raised by provincial land taxes. It's \$1.5 million.

Mr. Bolan: I lost a zero.

Hon. Mr. Bernier: Yes, you lost a zero. The decimal point was just moved over.

Mr. Foulds: That's Liberal economics.

Hon. Mr. Bernier: When you think that the provincial land tax is \$1.5 million while our ICAF fund is a half a million dollars, the balance is reasonable.

Those are a few of the points I would just like to put on the record for the benefit of the members.

To the member for Algoma I say that I certainly share his concern and I appreciate his concern for northern Ontario. I think he expresses a point of view that in some instances many northerners have, a concern about where we're going. It's fair to say we are making progress as we go into our third year of operation; and I say that with a great deal of pride.

I am pleased he accepts the role of the Ministry of Northern Affairs as a co-ordinating one. It's not easy. It's a new role for a ministry to be a co-ordinating agency to move around other ministries and to lean on them in a number of different ways. That role is slowly evolving.

Mr. Wildman: Lean a little harder.

Mr. Foulds: You've got the weight, lean a little harder.

Hon. Mr. Bernier: Of course the lever is in the budget, there's no question about that; but it's coming.

I have to look at our role in the Cobalt fire disaster. That's an area where we moved

in very quickly. While it was a fire and as such was the responsibility of the Ministry of Natural Resources under the lead ministry concept and under the emergency measures planning we have, we moved in because the Ministry of Housing was involved, and the Ministry of the Environment was involved with regard to the sewer and water problems. It was obvious this was a place we could move in and co-ordinate, which we did very effectively.

Mr. Wildman: That's true of a flood too, though.

Hon. Mr. Bernier: I'll get to that point. Kashechewan was another area where there were a number of ministries involved in operations directly relating to a flood, but here there were housing problems and transportation problems so it was a natural for us to assist in co-ordinating the effort.

With regard to the flooding at Field; we were there, as you well know, we were there in full force. In fact the reeve's first contact was the Northern Affairs officer. The latter carried the ball and made immediate contact with other ministries, carrying out in a small way at the start a co-ordinating responsibility to get the thing rolling.

Mr. Wildman: You weren't there at Iron Bridge or Searchmont.

Hon. Mr. Bernier: In fact the military was called in from North Bay with the co-operation of the Ministry of Natural Resources and our ministry. Once that is done, of course, Natural Resources, which has the expertise, the equipment, the staff and the knowledge to deal with these kinds of problems moved in very quickly. In fact the Minister of Natural Resources (Mr. Auld) was there. I'm particularly pleased the Premier (Mr. Davis) saw the hardship that was caused, and he too, made a point of visiting the scene. It's that kind of concern we in the Ministry of Northern Affairs can express to our colleagues and bring to the attention of people such as the Premier.

I agree with you that the four-to-one kind of assistance is realistic in these times. Sure I know how difficult it is to raise funds, even on a one-to-one basis. Field, as well as the other communities, will have difficulty raising its share. I would suggest they embark on a very ambitious campaign, such as Cobalt did and Sudbury did a few years ago, and get other municipalities to help. They will contribute. I know if a very strong letter went out to the people in northwestern Ontario there would be a response. There was a good response for a small disaster up there. People

are very human and very receptive to that type of a request.

The member for Algoma dealt with the Northern Affairs officers. In one sense there was some question about their role and their decision-making responsibilities. They are there to assist northerners in a very real way. I was particularly pleased that the member for Algoma recognized the thousands of people they have helped and the thousands of problems they have solved over the course of a year. There is no question about it, they are adept in dealing with not only provincial matters but federal matters as well.

As we move into new programs, such as the local services board, there will be a much greater role for the Northern Affairs officers to play, because they will be going into those unorganized communities, giving them leadership and guidance and help to bring their areas together, to make that contact with our ministry that we require and so they will be very, very valuable. They have been valuable already in setting up these meetings we have had right across the north.

I see down the road a greater role for the Northern Affairs officers than we ever had before—not just what they have been doing in the past, although they have been doing it very, very well—to assist them with all kinds of information in resolving all kinds of problems in which they are so experienced. So I have to say to you there will be a much greater role for those people to play in the months and years ahead as we go to these very ambitious programs for northern Ontario.

You questioned what we are doing for such places as Atikokan, and I am glad—

Mr. Wildman: I didn't question it; I just wanted to make sure you were aware of it.

Hon. Mr. Bernier: There is a situation where we had a resource industry in a single-resource community; we were very much aware the resources were fast coming to an end, the resources were being depleted, and there would be a finite time to the life of that community.

There were all kinds of rumours floating around that those 6,000 people would be reduced to 2,000; it would be just a tourist community; and nothing would happen, we would walk away and leave it. That has not been the case. I was in Atikokan on Friday and I was elated to see the attitude of that community. My ministry is playing a very major role in assisting them.

Mr. T. P. Reid: Good people.

Hon. Mr. Bernier: Yes, they are. The member for Rainy River agrees with me. The attitude there is nothing less than fantastic, really. They know they have a problem, they have known it for a number of years and they are dealing with it and they are dealing with it themselves.

Mr. Foulds: You've known it for a number of years and you've done nothing.

Hon. Mr. Bernier: That is not true. The development of a Hydro station at Atikokan didn't happen by accident. Those things just don't happen. They are part of a long-term concern.

Mr. Foulds: In 1971 they wanted to put it in Thunder Bay.

Hon. Mr. Bernier: We could be down here 1,200 miles away from Atikokan, but it is the local attitude that really counts. I take my hat off to the reeve of Atikokan and, indeed, to his council and all the people in Atikokan for taking a very positive attitude to their problems.

We are in there and we are in there in a big way. There is no question about it. My ministry is working very, very closely with their new industrial development officer, assisting him not only with financial resources but with the expertise to walk through the various levels of government and to get answers to some of their questions. I think that is an excellent example of what we can do as a ministry in a co-ordinating role.

Elliot Lake is a different situation. As the honourable member knows there is a boomtown attitude there—a very positive one, one where they can fall into the various Ontario government programs, the housing program, the Ministry of the Environment—

Mr. Wildman: Your own Northern Affairs officer can't find a place to live in Elliot Lake.

Hon. Mr. Bernier: No, but there is a normal growth, maybe an accelerated growth, of a community so that they can apply and get attention and assistance under these various normal government programs, which they are doing, and are doing very, very effectively.

Now the spilloff is what happens at Blind River? That is a concern.

Mr. Wildman: Are you going to tell me today?

Hon. Mr. Bernier: Yes—well, I can tell you we are working very, very closely with the mayor of Blind River and his council and I am hoping to have something positive in the not too distant future in that

regard. We have been in there in a big way. That treatment plant that is in Blind River; Northern Affairs saw the need for that. It is completed now, I believe. But there are problems, of course, with storm sewers; the infiltration into their system is a very real one.

Mr. Haggerty: They're looking for a fire truck, Leo.

Hon. Mr. Bernier: We think Blind River has a role to play, but how big a role as it relates to the Elliot Lake development? So those are things that we are working on.

On the matter of the Granary Lake road I don't want to lead the member for Algoma down the garden path, but at this point in time I have to say to you the cost benefits are not there. I put it very squarely to the people of Blind River, "If you had \$12 million to spend in your area, where would you spend it?" The immediate response was, "Sewers and water. The road is somewhere down the way; we accept that." Those are the kinds of decisions that have to be made; they are difficult ones.

[5:30]

Mr. Wildman: You've been talking about it for 20 years though.

Hon. Mr. Bernier: Yes, I know. Sure we'd like to make decisions immediately; and if the funds were available we would, there's no question about that.

The member for Algoma brought up the question about the overall northeastern Ontario strategy, where we're going in industrial development. I'm sure you're aware we're working very closely with the Municipal Advisory Committee. They are a very active group and we've recognized them formally. We'll be giving them, I think, in excess of \$50,000 this year. We have an office established in Sault Ste. Marie, we have office space for them. I believe the furniture is there now, and in co-operation with my ministry they are now looking for an executive director to work right in Sault Ste. Marie and to be their key person for northeastern Ontario in pulling together the needs, on an industrial and regional basis. That's a very positive step through which we will get input from the various communities. It's not something we're doing. The executive director will not be a civil servant; he will be a representative of MAC. The Municipal Advisory Committee, as you know, is made up of municipal politicians; and they will have control of that executive director. Of course in our role as the interface with government, we'll be working very closely with them.

I'm glad the honourable member for Algoma brought forward his concerns about health matters in northern Ontario. They are areas we have identified early in our existence as members will recognize.

We brought back the bursary program. It was in place several years ago, but was cancelled for reasons of which I'm not aware. At that time it was \$3,000 for the last two years of schooling for a dentist or a doctor. We've increased that to \$5,000. They receive \$5,000 for the last two years of their studies on the express understanding they enter into a contract with us to spend two years somewhere in northern Ontario.

We've had ongoing discussions with the Ministry of Health with regard to the needs for improved health services in northern Ontario. Dr. Copeman informed me the other day if he had 25 doctors he could fill all the needs of northern Ontario at this point in time. He doesn't have them, but he's looking right across this country and he's working very hard. In fact just the other day I think, he pulled two out of Saskatchewan, believe it or not. One of them is going into my own area of Deer Falls, for which I am very grateful.

I want to tell the honourable members that just a short time ago, I signed approximately 60 of those agreements with doctors and dentists. I think there were something like 47 doctors signed into the bursary program and the balance were dentists. We now have some 60 students in the dental schools and in the medical schools who will be going to northern Ontario when they graduate. I realize that's a couple of years down the road, but nevertheless it's a positive step forward.

We're going to keep that bursary program in place for a considerable period of time to make sure we do have a sufficient number of doctors and dentists. It may well be we'll expand it into other fields to make sure we get the other special services we require in northern Ontario.

Another area we've moved into in a very aggressive way has been in operation of our dental vans, as the honourable members know. I think one of the questions was who really has jurisdiction over the van itself. The Ministry of Health does that. Once we provide the hardware and have identified the problem, we turn the van over to them. They supply the dentists and closely monitor the communities they service. We have an arrangement with the Ontario Dental Association that we will not go within, I think it's 15 or 25 miles of a practising dentist. So they're on board too and are working very closely with us. In fact I met with the officers

of the Ontario Dental Association just last week to share with them some of my own personal concerns with regard to practice in northern Ontario and how we can improve. They are anxious to do their part too. In fact, on this point, we have completed a recent study of the Rainy River area as it relates to dental requirements in the Kenora-Rainy River area.

Mr. T. P. Reid: When are we going to get some action?

Hon. Mr. Bernier: That report is going to be released. I don't think it gives us anything that we are not aware of, but at least it documents further the problems that we have in our particular area that will be brought to the attention of the Ontario Dental Association and the Ministry of Health to respond to. Another area that we moved in again this year is the funding for the hearing van that is moving across northern Ontario, and if any of the members are interested I could give them a schedule for the next two years.

Mr. T. P. Reid: I would like one.

Hon. Mr. Bernier: Okay, I will get you a schedule.

Mr. Foulds: What van is that?

Hon. Mr. Bernier: Hearing, hard of hearing, yes. It will move around northern Ontario.

Mr. T. P. Reid: Better hit Rainy River.

Hon. Mr. Bernier: It's a very elaborate and very efficient van, one that we felt strongly enough about to put up the necessary funds to make sure that it stays in northern Ontario for the next two years.

The member for Algoma asked what we are doing with the medical facilities, and here again we regarded that as a top priority. It is all right to have doctors and dentists but they have to have some place to practise, and if they are going to move up there for one or two years it's obvious they are not going to make a major investment in the facilities and then move on. That is one of our problems, the movement of these professional people.

We have moved in that direction in assisting such communities as Ignace, Nakina, Geraldton, and we have requests now before us from Red Lake and from Rainy River. The formula is not a fixed one. As an example, I think in Geraldton it was an 80-20 deal. In Ignace, I think it was a two-for-one deal. We respond to the community's needs. If they can raise a certain amount of funds themselves and make sure of course that those using the building will pay the

going rent. We are not assisting in any way to give a free ride to the professional people, but they want some place decent to practise, so that's an area that we are moving in.

Mr. Foulds: Like good hospitals.

Hon. Mr. Bernier: Like good hospitals. The question of housing for some of these professional people in some of our northern communities is before us. I have to say that my priority would be to get the medical facilities in place first. I think the community can look after the housing itself. Hopefully they could round up sufficient homes to look after those people, at least in the interim until we get the medical facilities firmly in place right across northern Ontario. I think we will have more requests for that type of assistance.

Health services generally is an area that we have been actively involved in. Our relationships with the Ministry of Health are excellent, since the former Deputy Minister of Northern Affairs is now the Deputy Minister of Health. He carries with him the concerns that he had when he was with my ministry—

Mr. Wildman: Did he carry the cutbacks too?

Hon. Mr. Bernier: Yes, he has responded to that very quickly in that there will be an overall review of all those hospitals that have 100 beds or less. All the hospital boards and the administrators are coming together to look at their specific problems and, of course, many of them are in northern Ontario. It's not a general problem in northern Ontario. Take North Bay—and I am sorry the member is not here—but there is no problem in North Bay. There are specific areas that have specific problems and certainly those will be dealt with.

Mr. Foulds: Thunder Bay?

Hon. Mr. Bernier: Yes, I think that's being dealt with very effectively.

Mr. Wildman: What about the 10-bed cushion?

Hon. Mr. Bernier: I am sure the Minister of Health will have something to say about that. I have to assure members that those northern problems don't go by unnoticed. While we may not stand up in this Legislature and expound to any great lengths as to the specific and unique problems of northern Ontario, I can assure members that the staff of the Ministry of Northern Affairs, from the minister to the deputy, the assistant deputy right down through the executive directors are constantly working with their counterparts in bringing these problems to

their attention and trying to resolve them and to change the direction in some instances.

Mr. Foulds: They don't look very active right now. They look like they're falling asleep.

Hon. Mr. Bernier: They're a great bunch. They are all selected from this entire government, hand-picked as the best in the business, just to look after northern Ontario.

Mr. T. P. Reid: Too bad they didn't have a chance. I could make a couple of comments, but I like you too much.

Hon. Mr. Bernier: The honourable member spent some time on the Isolated Communities Assistance Fund. I am pleased he accepted in a general way our thrust with regard to the local services board. I think the ICAF was a good start, at least to get fire protection requirements answered as a result of the co-operation of our ministry with the Solicitor General's office and the Ontario Fire Marshal's office. The training program going on throughout the north is something of which we are very proud and I want to publicly commend the fire marshal's office for the excellent job they are doing. They have been very sensitive. Sometimes we have been overzealous in getting something in place. They have a limited staff, a situation which we respect and regard; nevertheless they have responded, and I think today—

Mr. Haggerty: They need new fire trucks.

Hon. Mr. Bernier: —the fire marshal's office has a much greater visibility in northern Ontario than it ever had in its history, and the respect that these fellows have is second to none.

We can thank them for their excellent co-operation in view of the fire protection. In fact, they designed those fire trucks especially for northern Ontario needs. The equipment is sitting on the front of the truck instead of being buried underneath. It is easily serviced; the package units are units that anybody who is mechanically inclined can look after.

Mr. Wildman: It is called the Bernier bundle.

Hon. Mr. Bernier: Bernier bundles, yes. That is that kind of an approach you have to take to meet needs in northern Ontario.

Mr. Haggerty: Front-end pump?

Hon. Mr. Bernier: Yes.

Mr. Laughren: Are you wearing a Pierre Cardin belt?

Hon. Mr. Bernier: Yes, I am.

Mr. Laughren: It doesn't seem right, somehow.

Hon. Mr. Bernier: There is something wrong with it though, I have to take it back.

Mr. T. P. Reid: It keeps shrinking.

Hon. Mr. Bernier: It keeps shrinking, yes.

Mr. Haggerty: How many fire trucks were bought last year?

Hon. Mr. Bernier: Seven or eight. One of the problems that we had, getting back to our underexpenditure last year, was that we ordered a number of fire trucks but they were unable to deliver them before the first of the year.

Mr. Haggerty: Would the member for Algoma ride in one of them?

Hon. Mr. Bernier: Apparently they got everything else but the chassis. They couldn't get the chassis, but they are coming on stream now and we will be delivering more of those fire trucks.

Mr. Bolan: What about the gold hat? Tell me, do you wear that, too?

Hon. Mr. Bernier: The gold hat? I am pretty proud of that gold hat. I don't think I have had a letter from a member in northern Ontario complaining about a disastrous fire this year that affected the people in northern Ontario, and I hope it continues that way.

Mr. Wildman: You got a couple from me that were close to that.

Hon. Mr. Bernier: We haven't had a recurrence of a hurricane situation.

Mr. Haggerty: It is a good program, Leo.

Hon. Mr. Bernier: It is a combination of awareness by the public, through the co-operation of the fire marshal's office, the smoke detector program—which is very effective—and the fire package; I think it is that kind of combination.

Mr. Foulds: Did you forget Gogama?

Mr. Laughren: The radiation program.

Hon. Mr. Bernier: The honourable member questioned the budget, the financial assistance for capital construction programs. He referred to the 75-25 aspect of some of these programs. I think it is fair to say at this stage we would have to look at the 25 per cent those people are allowed to carry. If it is a nominal sum then I think they should carry it, but there may be instances—and I refer to Gogama as perhaps being one of them—where the 25 per cent might be prohibitive.

Mr. Laughren: You keep referring to it; where is the money?

Hon. Mr. Bernier: I am concerned about Gogama; I really am. I am determined to do something about it. I was very impressed with that community and its very real desire to do something for itself.

I don't want to lock myself into a 75-25 at this point in time; I want to leave the door open and hopefully we can look at the individual needs. While we may be criticized somewhere down the road for maybe being a little ad hoc-ish overly flexible, I think when you are dealing with northern Ontario problems you have to be.

Mr. Wildman: Tell the Minister of Health (Mr. Timbrell) that.

Hon. Mr. Bernier: I don't want to be boxed into programs on which we can't be responsive.

Mr. Laughren: You have been around here longer than the Minister of Health, put him in his place.

[5:45]

Hon. Mr. Bernier: I hope to be introducing that legislation some time within the next couple of weeks. I am not sure if we will be able to deal with it in this part of the session—I would like to if at all possible and time permits—but we will only find that out when I introduce it and see what reaction it gets.

Mr. Laughren: You promised it this session.

Hon. Mr. Bernier: Yes, I did. It will be introduced and if you fellows want to sit here and join with me—

Mr. Laughren: Call for second reading.

Mr. Wildman: We already told the minister we would support it in principle.

Hon. Mr. Bernier: Fine. I appreciate that support. As I said, it is permissive legislation, one can either opt in or opt out. It is self-help and one can shape their own communities to their own liking and their own desires.

With regard to major changes in boundaries, I would like to point out that the legislation is such that those boundaries would have to be approved not only by the Ministry of Northern Affairs but by Intergovernmental Affairs. We are working very closely with them and we have their co-operation and their assurance there will not be any great delays in designing a boundary. One step we are going to move into is the assistance of northern affairs officers. They will help us in identifying the area in which that group can service. We think that will be a major step forward in pushing it through on as fast a basis as possible.

Mr. Laughren: Is the minister not worried about red tape?

Hon. Mr. Bernier: Mr. Chairman, that sums up and answers most of the questions I believe, at least as they were related to me. I want to thank both members for their contributions. It was very helpful, and I hope that as we go through various votes I can answer other questions that may come forward and be of benefit on an information basis to them and to outline the very constructive things we are doing in that part of the province. It is certainly in need of this very special attention.

Mr. Laughren: What about the reduction in the minister's salary?

Mr. Wildman: Mr. Chairman, may I ask a couple of questions in relation to the minister's reply?

Mr. Acting Chairman: Yes.

Mr. Wildman: I thank the minister for his response. There are a couple of specific things I referred to that he had missed. I wonder if he could give us some indication of the progress that the Manitoulin Economic Development Committee is making, what funding the ministry has provided and where the ministry is at in terms of the North Shore Economic Development Committee as proposed by the municipalities along the North Shore? Could he also explain what, if any, relationship the Ministry of Northern Affairs has with NODC?

Hon. Mr. Bernier: I do not have the specific success stories of the Manitoulin Economic Development Committee but I will get that for the member. I understand from my earlier discussions of some time ago it has been very successful in a number of areas. I will certainly get the factual information and deliver it to the member.

With regard to NODC, our relationship is one of not only a co-ordinating role but one of support, in that when there is a specific requirement or there is a specific need as to a specific problem and we are involved then the relationship and the information flows through. We are not directly involved with regard to the actual applications that come in to NODC, but we are there and we provide them with information as we see it from a northern Ontario point of view. This comes to us on a fairly regular basis.

On vote 701, ministry administration program; item 1, main office.

Mr. T. P. Reid: Mr. Chairman, I always like to ask a question about money that so seldom gets asked about the estimates: Per-

haps the minister could indicate where the million dollars for his main office is going; salaries and wages particularly, how many employees does that cover?

Hon. Mr. Bernier: We don't have a main office, as the honorable member is aware, but we have offices in Toronto, Kenora and Sault Ste. Marie. These provide support services to myself in carrying out my duties and for an executive assistant and two secretaries. In those offices are the deputy minister, the assistant deputy ministers, the executive director of planning and administration and the co-ordinator of administration services.

Mr. T. P. Reid: These offices don't include the ones in Kenora and Sault Ste. Marie?

Hon. Mr. Bernier: Yes, they do. In 1979-80 salaries and wages have moved from \$518,000 to \$684,000; employee benefits from \$80,000 to \$103,000; transportation and communications, the movement of staff, from \$90,000 to \$165,000; services generally from \$69,000 to \$103,000; supplies and equipment from \$45,000 to \$41,000; and transfer payments from \$50,000 to \$53,000.

One of the things you will notice in this increase is that last year many of the vacant positions we had were not in place right across the entire system, for example, in Kenora and in Sault Ste. Marie. Many of them have been filled now with subsequent salary increases.

Mr. T. P. Reid: Does the increase represent simply the increase for salaries and so on?

Hon. Mr. Bernier: Yes.

Mr. Foulds: There are two questions I want to ask the minister. One is that I would like him to explain the relationship his ministry has with Intergovernmental Affairs. If I'm not mistaken, Intergovernmental Affairs is still the ministry that is establishing some criteria that you have to operate under, particularly with regard to the isolated communities assistance fund. Frankly, I find that repugnant.

Hon. Mr. Bernier: I would like to point out that we have been very actively involved in the co-operation aspect of IGA in setting up the local services boards. I have to point out to you that the local services board is not a municipal structure. It's a service structure, so it doesn't fall under the Municipal Act per se. Their advice has been very helpful in putting together this piece of legislation. They have expressed a concern about our movement into this field for fear that, as we improve the services in unorganized areas,

there would not be the desire and the same interest in becoming organized.

Also they have singled out a number of areas where they are doing municipal studies as to annexation or amalgamation. They have asked us to consider that very carefully when we're moving into local services boards. Aweres township in Sault north is a typical example. It's large enough, in their opinion, to be organized under our municipal structure. That is why as we move down the road to—

Mr. Wildman: The Minister of Intergovernmental Affairs isn't as eager to have it as your Mr. Jackman says he is.

Hon. Mr. Bernier: —set up local services boards, we will be working very closely with Intergovernmental Affairs, not only in the areas that we select on application from local areas but in defining the boundaries. We will make sure that we have their co-operation and their assistance as these boards and these communities come under the Local Services Boards Act.

Mr. Foulds: If I could just pursue that, I have a particular case I want to discuss with the minister but it's lengthy. I'll do that when we have a little bit more time than we have at present. Surely the Minister of Northern Affairs has a responsibility to protect the northernness of certain communities and not allow Intergovernmental Affairs sometimes to push small communities into an organizational structure that they cannot sustain. I'm afraid that even when those communities are located near a large centre the Ministry of Intergovernmental Affairs' attitude is to push them into an amalgamation with a large centre that the community itself doesn't want, or to push them into the kind of municipal structure that, in some cases—not all I say; not all, but in some cases—may be too heavy for them to bear. I think it is your job to be very vigilant and very tough about protecting the interests of small northern communities in that respect.

Hon. Mr. Bernier: Mr. Chairman, I appreciate those comments and I have to say to the member I share his views. This has come forward in our discussions to date, as we're pulling the act together. The one thing I have to make very clear to the people in that ministry is that many of the small communities in the unorganized areas are not going to grow. There are people in some levels of government who think that as soon as you get a structure there there is going to be a massive development. You and I know that this is not going to occur. I live in one. My God, I've been there since—

Mr. Foulds: Since Moses was a baby.

Hon. Mr. Bernier: Pretty near. But that community hasn't grown. Sure, the services have improved; the quality of life has improved; people have rebuilt their homes, it's home to them. But there has been no massive development, no great influx. Sure, you've had places like Ear Falls and Ignace that are on the border of a major industrial development, but that will always occur. But, in the norm, the Savant Lakes will grow slowly, the Nakinas, but Armstrong is a typical example.

People will improve their houses. The quality of life will improve. They will want better services than they are getting now.

This point was sometimes difficult to get across to people who are totally working with organized municipalities in southern Ontario. But I think it's fair to say that we have been successful. We have been successful in getting their co-operation and understanding their very unique problems. I guess they're tired of hearing me say that in northern Ontario we have special, unique problems. In fact, my colleagues will say, "There goes Bernier again. It's always special, always unique." But, nevertheless it is.

Mr. Wildman: Unique certainly.

Mr. Laughren: So is Bernier.

Hon. Mr. Bernier: It is unique. It is different. I think we're getting our message across slowly but surely.

Mr. Foulds: I just wanted to ask, Mr. Chairman, if I might just before we wind up—I apologize to my colleague from Algoma—what worries me a bit about the discussion we have had today so far is that it does not seem to me that you, as Minister of Northern Affairs, consider that your ministry should be the lead ministry in every single activity that takes place in northern Ontario. I think it should be.

I think that if you had a ministry that was really worth its salt—

Mr. Laughren: That's right.

Mr. Foulds:—this ministry should be the one that is telling the Ministry of Health what

should be happening with the small hospitals that my colleague from Algoma referred to. This ministry should be telling the Ministry of Natural Resources what it should be doing in developing the single-industry towns in northern Ontario, because it is your ministry that has the overall view and the capability and should have the will to really develop the north as we all know the north should be developed.

Mr. Deputy Chairman: Mr. Minister, is your reply brief?

Hon. Mr. Bernier: Yes.

I don't share those views, let me put it very clearly.

Mr. Foulds: You don't?

Mr. Laughren: You don't?

Mr. Wildman: You don't?

Hon. Mr. Bernier: No, I don't share the view that we should be the Northern Affairs kingpins. I don't think we should be that. We have a co-ordinating role. We have a role to bring to the attention of other ministries that have programs and policies in place. Our job is to change some of those policies to reflect the northern attitudes.

Saskatchewan has what you're saying—and they've come into problems. There are problems you wouldn't believe, because I was there to look at their problems.

Mr. Foulds: And you don't think that Health has problems in the north?

Hon. Mr. Bernier: Manitoba didn't go that way, and Alberta is certainly not going that way. I think if the Saskatchewan government had its druthers they would revert to the co-ordinating role that we're adopting today. We think that, with the policies and programs in place in other ministries, it's our responsibility to deal directly with them, at the high level and even at the lower level, to get our input in there and get those attitudes and policies changed to reflect truly our northern needs.

On motion by Hon. Mr. Bernier the committee of supply reported progress.

The House adjourned at 6 p.m.

APPENDIX

(See page 1892)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

WIRETAPS

169. Mr. Ziemba: How many wiretaps were installed each and every year for the past five years? How many subjects of a wiretap were so advised, when the wiretap was removed, during this same period? [Tabled April 30, 1979.]

Hon. Mr. McMurtry: The protection of privacy provisions of the Criminal Code became effective July 1, 1974. Annual reports appeared in the Ontario Gazette in 1974, 1975, 1976 and 1977. These reports should be considered for further detail.

The following figures are taken from these reports. Figures for 1978 will not be available until the summer when interrelated investigations have been completed and some renewals have terminated.

1974: (July 1 to December 31) authorizations granted, 30.

1975: (January 1 to December 31) authorizations granted, 125.

1976: (January 1 to December 31) authorizations granted, 147.

1977: (January 1 to December 31) authorizations granted) 203.

The marked increase in the number of authorizations granted in 1977 over 1976 is attributed to two factors. Firstly, the decision of the courts that a renewal would not be granted if it contained any alteration from the original authorization even though it was the same investigation; and secondly, the inclusion of 14 new offences for which an authorization might be obtained.

In answer to the second part of the question, every person who has been the object of an interception is notified within 90 days of the termination of the interception. The only exception is where it is not possible to locate the person and/or if he has left the country. In the latter case if the person's whereabouts are known registered mail is used instead of personal service.

DAYCARE CENTRES

170. Mr. Blundy: Would the Minister of Community and Social Services list the names and locations of provincially-approved day-care centres that are currently operating with conditional licences? Would the minister give reasons in each case for withholding full licence approval? For each of the above,

would the minister also note the number of times the conditional licences have been renewed or extended and for what duration in the history of the centre as a licensed facility of the ministry? [Tabled May 1, 1979.]

Hon. Mr. Norton: Wee-Care Day Care Centre, 55 Emperor Street North, Ajax, Ontario.

Reason for conditional licence: Playground shall be (b) fenced on all sides and furnished with gates equipped with bolts and catches; (c) be suitably surfaced and drained; (d) be of such shape as to make constant supervision of the children possible; (e) be maintained in a safe and sanitary condition; and (f) be adequately equipped for outdoor program. DNA Reg. 4(b), (c), (d), (e), (f).

Number of times issued, renewed and extended, one; duration, four months; expiry date, May 31, 1979.

Red Balloon Nursery School, RR1, Camp Meekawa, Balgrave, Ontario.

Reason for conditional licence: Supervisor to enrol and complete a recognized course in ECE.

Number of times issued, renewed and extended, three; duration, three years; expiry date, April 20, 1979.

Children's World, Lot 79, West Hastings Road, RR4, Bancroft, Ontario.

Reason for conditional licence: Supervisor participate in at least one professional course in ECE by October 1979.

Number of times issued, renewed and extended, two; duration, two years; expiry date, October, 1979.

Kiddieskool Day Care Centres Ltd., 169 Bayfield Street, Barrie, Ontario.

Reason for conditional licence: The qualifications of the program supervisor to include recognized training in ages 0-3 years.

Number of times issued, renewed and extended, nine; duration, six years; expiry date, December 31, 1979.

Gingham Dog Nursery, High Street, Burks Falls, Ontario.

Reason for conditional licence: That the premises meet the requirements of the local fire chief. (Reg. (2) (2)).

Number of times issued, renewed and extended, one; duration, five and a half months; expiry date, September 30, 1979.

Callander Co-op Nursery School, St. Alphonsus Church, 191 Catherine Street East, Callander, Ontario.

Reason for conditional licence: That the supervisor continue to enrol in an approved

training program in early childhood education. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, one; duration, one year; expiry date, September 24, 1979.

Cambridge YMCA Chipmunks, 12 Blair Road, Cambridge, Ontario.

Reason for conditional licence: That the supervisor enrol in an approved training program in ECE when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, one; duration, one year; expiry date, September 15, 1979.

Tiny Tot Activity Class, Hespeler Baptist Church, 76 Adam Street, Cambridge, Ontario.

Reason for conditional licence: That the supervisor enrol in an approved training program in ECE when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, one; duration, one year; expiry date, September 11, 1979.

Tiny Tot Activity Class, St. Johns on the Hill Church, 241 Cedar Street, Cambridge-G, Ontario.

Reason for conditional licence: That the supervisor enrol in an approved training program in ECE when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, one; duration, one year; expiry date, September 19, 1979.

Tiny Tot Activity Class, 143 Glen Morris Street, Cambridge, Ontario.

Reason for conditional licence: That the supervisor enrol in an approved training program in Early Childhood Education when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, one; duration, six months; expiry date, May 1, 1979.

Beausoleil Day Care Centre, Cedar Point P.O., Christian Island, Ontario.

Reason for conditional licence: The supervisor is enrolled in ECE and will continue until course completed.

Number of times issued, renewed and extended, four; duration, four years; expiry date, June 30, 1979.

Cedar Point Day Care Centre, Christian Island, Ontario.

Reason for conditional licence: Supervisor complete her ECE course at a Canadian college.

Number of times issued, renewed and extended, two; duration, two years; expiry date, June 3, 1979.

Children's Corner Day Nursery, 2259 Jane Street, Downsview, Ontario.

Reason for conditional licence: Hiring a qualified supervisor, purchasing additional play material.

Number of times issued, renewed and extended, one; duration, five months; expiry date, May 31, 1979.

York University Co-operative Day Care, 22 Moon Road, Apartment 106, Downsview, Ontario.

Reason for conditional licence: Playground facilities, health requirements, regarding kitchen facilities.

Number of times issued, renewed and extended, four; duration, 15 months; expiry date, May 31, 1979.

Sunshine Kids Inc., Exeter United Church, Exeter, Ontario.

Reason for conditional licence: Present supervisor continue to upgrade her qualifications by taking recognized courses in the field of early childhood education.

Number of times issued, renewed and extended, two; duration, one year, nine months; expiry date, May 30, 1979.

Falconbridge Co-op Nursery School, 72 Edison Road, Falconbridge, Ontario.

Reason for conditional licence: That the supervisor enrol in an approved training program in ECE when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, two; duration, one year, nine months; expiry date, September 30, 1979.

Hamilton Montessori School, 86 Homewood Avenue, Hamilton, Ontario.

Reason for conditional licence: That section 9(1)(b), (c), (2), (3) of the Day Nurseries Act and regulations be met regarding preparation and serving of a mid-day meal where children are in attendance for more than six hours.

Number of times issued, renewed and extended, one; duration, six months; expiry date, July 21, 1979.

Jack & Jill Nursery School, Little Current, Ontario.

Reason for conditional licence: Requirements of the Sudbury and District Health Unit be met.

Number of times issued, renewed and extended, one; duration, three and a half months; expiry date, June 30, 1979.

Child's Play Co-operative Nursery, 29 Victoria Street, London, Ontario.

Reason for conditional licence: Present supervisor to further her preschool qualifications by taking recognized courses in ECE for children two to five years of age.

Number of times issued, renewed and extended, four; duration, four years; expiry date, September 13, 1979.

Cottage Day Care, 120 Wharncliffe Road South, London, Ontario.

Reason for conditional licence: Playground to be equipped.

Number of times issued, renewed and extended, one; duration, six months; expiry date, June 30, 1979.

Faith Day Nursery, 1920 Huron Street, London, Ontario.

Reason for conditional licence: Playground shall be adequately equipped for outdoor program.

Number of times issued, renewed and extended, two; duration, nine months; expiry date, July 15, 1979.

Scatcherd Children's Centre, 217 Sarnia Road, London, Ontario.

Reason for conditional licence: Supervisor continues to upgrade qualifications by taking recognized ECE courses. (Condition has been met—will be removed when licence renewed).

Number of times issued, renewed and extended, three; duration, three years; expiry date, June 22, 1979.

St. Andrew's Co-op Playschool, 32 Main Street North, Markham, Ontario.

Reason for conditional licence: Supervisor to enrol and complete an accredited ECE program.

Number of times issued, renewed and extended, three; duration, three years; expiry date, October 27, 1979.

Mitchell Co-operative Nursery School, Upper Thames Elementary School, Mitchell, Ontario.

Reason for conditional licence: Present supervisor to continue her training by taking recognized courses in ECE. (Condition has been met—will be removed when licence renewed—new supervisor has qualifications).

Number of times issued, renewed and extended, one; duration, one year; expiry date, November 14, 1979.

Tot Town Parent Part Pre School, McPhail Street School, North Bay, Ontario.

Reason for conditional licence: That the supervisor continue to enrol in an approved training program in ECE when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, two; duration, two years; expiry date, October 1, 1979.

Dowling Co-op Nursery School, Larchwood Public School, Onaping Falls, Ontario.

Reason for conditional licence: That the supervisor enrol in an approved training program in ECE when available and convenient to the area. (Reg. 12(1)(b)).

Number of times issued, renewed and extended, five; duration, three years; expiry date, September, 1979.

Orillia Sunshine Nursery School Inc., James Street, St. David's Church, Orillia, Ontario.

Reason for conditional licence: Supervisor to take ECE training when available (she has a BA in psychology).

Number of times issued, renewed and extended, seven; duration, seven years; expiry date, June 15, 1979.

Scenic City Pre-School, 876 1st Avenue West, Owen Sound, Ontario.

Reason for conditional licence: That the supervisor enrol in ECE courses geared at working with preschool handicapped children.

Number of times issued, renewed and extended, one; duration, one year; expiry date, October 6, 1979.

Sylvestre Nursery, 631 First Avenue, Pembroke, Ontario.

Reasons for conditional licence: (May 2-August 1, 1971): 1. Supervisor to have full early childhood education training; 2. Enrolment not to exceed 10 children unless more space provided; 3. To have two adults present at all times, when there were four or more children present; 4. Have sufficient play materials for the number of children enrolled. (September 1971-May 1972, May 1973, May 1974, May 1975), Condition 4 met. (September 1976), Conditions 2 and 3 met. (September 1977 and 1978), Supervisor to enrol in ECE training courses as soon as available in French language.

Number of times issued, renewed and extended, nine; duration, eight years, four months; expiry date, September, 1979.

Penetanguishene Co-operative Nursery School, Robert and Harriet Street, Penetanguishene, Ontario.

Reason for conditional licence: The supervisor (elementary teacher) to enrol in a recognized ECE course.

Number of times issued, renewed and extended, one; duration, one year; expiry date, May 12, 1979.

Bellamy Day Care Centre, 15 Torrance Road, Scarborough, Ontario.

Reason for conditional licence: (August 1, 1977, August 7, 1978, November 1, 1978, March 21, 1979): To meet health requirements (Scarborough) regarding food handling, to fence and equip a suitably sized playground. (March 21, 1979-March 21, 1980): To fence and equip a suitably sized playground.

Number of times issued, renewed and extended, five; duration, three years; expiry date, March 21, 1980.

St. Crispin's Day Care Centre, 77 Craiglee Drive, Scarborough, Ontario.

Reason for conditional licence: Premises to be upgraded to meet standards of Scarborough property department. Metro Toronto

office is presently holding renewal until the premises meet the requirements as set out by the municipal building department.

Number of times issued, renewed and extended, three; duration, 21 months; expiry date, December 20, 1978.

St. Mark's Cooperative Nursery, 111 Orton Park Road, Scarborough, Ontario.

Reason for conditional licence: Premises to be upgraded to meet standards of Scarborough property department.

Number of times issued, renewed and extended, two; duration, one year; expiry date, April 11, 1979.

Thomas Toddler Ltd. No. 1, 25 Cougar Court, Scarborough, Ontario.

Reason for conditional licence: 1970, connection with fire department; 1973, hire sufficient staff; 1978-79, repair playground, hire qualified supervisor.

Number of times issued, renewed and extended, four; duration, 18½ months; expiry date, May 8, 1979.

Oso Township Co-operative Nursery School, P.O. Box 89, Sharbot Lake, Ontario.

Reason for conditional licence: That the supervisor enroll and complete ECE courses. Reg. 12(1)(b) Day Nurseries Act.

Number of times issued, renewed and extended, one; duration, one year; expiry date, September 1, 1979.

St. Thomas Day Nursery, 8 Hammond Street, St. Thomas, Ontario.

Reason for conditional licence: Sufficient staff to be maintained in accordance with schedule 1. Number of children present must not exceed licensed capacity.

Number of times issued, renewed and extended, one; duration, six months; expiry date, May 30, 1979.

East End Day Care Centre, 62 Ridgemount Avenue, Sudbury, Ontario.

Reason for conditional licence: (March 1977 and 1978): That the supervisor enroll in and complete approved courses in ECE (Reg. 12(1)(b)) (March 1979): 1. That you employ and maintain an adequate number of staff

for the number and ages of children enrolled, as determined by schedule 1 of the Day Nurseries Act; 2. the playground of the day nursery shall have a minimum play space of forty square feet separated from the play space of older children for each child under two years of age in attendance (Reg. 4(a)(i)). In addition, this play space must be adequately equipped for outdoor program (Reg. 4(4)).

Number of times issued, renewed and extended, three; duration, two years, three months; expiry date, June 12, 1979.

Church of the Messiah Day Care Inc., 240 Avenue Road, Toronto, Ontario.

Reason for conditional licence: Complete installation of ventilation system as required by health department, city of Toronto.

Number of times issued, renewed and extended, one; duration, two and a half months; expiry date, June 30, 1979.

Harmony Day Nursery, 124 Northcliffe Boulevard, Toronto, Ontario.

Reason for conditional licence: Installation of a separate hand wash basin in kitchen as required by health department (board of York).

Number of times issued, renewed and extended, one; duration, eight months; expiry date, June 15, 1979.

Country Wonderland Day Nursery, R.R. No. 2, Tottenham, Ontario.

Reason for conditional licence: Supervisor and one assistant to continue in their ECE course until graduation.

Number of times issued, renewed and extended, three; duration, three years; expiry date, July 30, 1979.

Warton & District Co-op Nursery, 575 Edward Street, Warton, Ontario.

Reason for conditional licence: That the supervisor continue her training in ECE when courses are available.

Number of times issued, renewed and extended, one; duration, nine and a half months; expiry date, June 30, 1979.

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Bennett, Hon. C.; Minister of Housing (Ottawa South PC)
Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
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Capitulum

Indivisum



No. 47

Legislature of Ontario

Debates

Official Report (Hansard)

Third Session, 31st Parliament

Tuesday, May 15, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, MAY 15, 1979

The House met at 2:05 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

INCOME SUPPLEMENTS

Hon. Mr. Maack: Mr. Speaker, in an article on pensions in Victoria, British Columbia, which appeared in today's *Globe and Mail*, the following statement was made with respect to guaranteed income levels for senior citizens of British Columbia as compared to Ontario: "Provincial income supplements guarantee minimum monthly incomes for a single senior of \$349 and \$698 for a couple. An Ontario supplement guarantees a single \$349 and a couple \$678."

This did not agree with figures I had received from my staff, so I asked them to look into the matter and report back to me. My staff have reconfirmed this morning with the controller's office of the BC Department of Human Resources that the income supplement for a pensioner couple in British Columbia is in fact \$673 per month and not the \$698 amount reported in the *Globe and Mail*. In other words, the income guarantee provided to the pensioner couple in Ontario is \$5 per month higher than the income guarantee in British Columbia, not \$20 per month lower as reported.

Mr. McClellan: It is still below the poverty line.

Mr. S. Smith: Is the minister going to make a statement every time there is something wrong in British Columbia? Write a letter to the editor.

FUNDING OF HOMES FOR HANDICAPPED

Hon. Mr. Norton: I wish to respond on behalf of the Provincial Secretary for Social Development (Mrs. Birch) to a question asked by the member for Ottawa Centre (Mr. Cassidy) on Friday, April 20, regarding the proposed Participation House in Ottawa, which would provide specialized residential services to persons who have cerebral palsy.

I believe it is essential to clarify my ministry's position on services for handicapped persons since the specific proposal has to be

related to our overall policy thrust. Since 1974, the ministry has been actively involved in a process of deinstitutionalization and has been emphasizing community living opportunities for handicapped persons.

My ministry has encouraged service to handicapped persons which emphasizes a variety of accommodation alternatives and, where possible, utilizes existing community services. It is our intention to support the normalization principle. This means that to the fullest extent possible opportunities will be opened up so that handicapped individuals may reach their potential with a lifestyle as near as possible to that of other citizens of our province.

In keeping with this philosophy, my ministry has in recent years helped to establish a range of group homes across the province for developmentally handicapped persons. These homes are augmented by a variety of support services to help these persons make full use of their communities. In the last fiscal year we established 757 community residential places for the developmentally handicapped and this year we will continue this program through the establishment of an additional 500 residential places.

With respect to the particular needs of persons with cerebral palsy, my ministry is funding Participation Houses in Markham, Brantford, and Hamilton. I recognize that some persons with cerebral palsy require specialized residential services and the three Participation House projects are responding to these needs. These projects were made possible as a result of the special efforts and fund-raising capabilities of local Participation House groups and the Ontario Federation for the Cerebral Palsied. I would like to commend them on their efforts.

I must emphasize that we proceeded with the Hamilton and Brantford projects during a period of financial constraint when almost all other capital expenditures for institutional care have been suspended. The financial limitation on that aspect of our ministry programs is continuing and very little money is provided for capital expansion for the foreseeable future for institutional care. These financial limitations have required the re-examination of many programs.

In addition to the limitations imposed on capital funding, I am concerned, as minister, that the Participation House type of service may not be entirely consistent with our philosophy of community living. Through the provision of high quality support services, however, it may be possible to assist many of these individuals, including those residing in Participation Houses, to take part more fully in the community and to live in a range of accommodation alternatives, such as group homes or apartments.

As announced in the speech from the throne, "The government will move toward a modest expansion of several pilot projects which were launched recently to provide special accommodation and necessary attendant care for the young physically disabled. These projects have been remarkably successful in enabling these young people to maintain a life in the community, in many cases going to work or school and working toward being self-supporting."

We are funding four pilot projects in housing and support services for physically handicapped individuals. Two of these projects involve apartment style living and two involve a combination of apartment and group home, living under the same roof with support services.

Mr. McClellan: Does that include Clarendon?

Hon. Mr. Norton: That's one of them, yes.

Also, as transportation is a special problem for some cerebral palsied individuals, the speech from the throne indicated our government is committed to improving transportation for handicapped individuals. The five community transportation pilot projects will become permanent programs and further expansion of these services will begin in other communities.

Participation Apartments, an affiliate of the Ontario Federation for the Cerebral Palsied, has recently submitted an application for support services in an apartment-style project. It is my opinion we should further explore this type of approach and take an opportunity to apply the normalization principle more vigorously for persons who have cerebral palsy. Because of the nature of their disability, persons with cerebral palsy may require a high component of personal care and treatment or training and day time programs. The focus of each of the three existing Participation Houses, however, has been to provide the majority of these required services within one location.

Again, I must emphasize this ministry has encouraged services which provide a variety

of accommodation alternatives and, where possible, utilize existing community services. This approach provides persons with special needs the best opportunity to reach their potential through a lifestyle as near to normal as possible. Therefore, funding of any additional institutional-type Participation House projects will be deferred until we have had an opportunity to evaluate existing projects and determine the range of needs for all physically handicapped persons, including those persons with cerebral palsy.

We shall invite representatives of the Participation House associations to work with us in this evaluation of existing projects and our examination of alternatives.

My staff will work with all interested community groups in this assessment process. Limited additional funds are available and not yet designated to specific projects in this fiscal year for some alternative forms of residential services such as group homes, apartment programs and support services which would assist physically handicapped adults to live in the community. Community groups which have contacted us for funding for services to physically handicapped persons and for Participation House projects will be notified of our willingness to assist them with the development of these alternative services and of the availability of financial support.

I hope the Participation House committee in Ottawa and all Participation House groups throughout the province will be flexible and interested in pursuing these alternatives. I hope the energies and funds of the cerebral palsy associations will be increasingly directed toward developing alternatives that make greater use of existing community services. Through this process, it should be possible to encourage greater integration of persons with cerebral palsy into the community.

Mr. Speaker: Will all honourable members please keep their private conversations down? It's extremely difficult for a minister to be making a statement.

CHILD TAX CREDIT

Hon. Mr. Norton: Mr. Speaker, I am pleased to inform the honourable members that the council of the city of Chatham, at its meeting yesterday afternoon, reconsidered its position with respect to the treatment of the child tax credit and agreed—

Mr. McClellan: Well, what do you know? Sometimes it's worth raising things in here, isn't it?

Hon. Mr. Norton: —to review all general welfare assistance cases where eligibility had

been adversely affected by receipt of the tax credit.

Mr. Warner: It is the member for Bellwoods who has accomplished this.

Hon. Mr. Norton: A review of the situation by officials of my ministry revealed 18 recipients had their assistance discontinued as a result of receipt of the tax credit. We found it necessary to issue emergency assistance directly in two cases.

Following the review, I wrote to the mayor requesting the city review and reconsider all such cases. It is the view of both the Ontario and federal governments that the recipients of public assistance should be allowed to utilize tax credits on items that are not normally covered by their social assistance budgets. It's therefore not appropriate to suspend the case due to inadequate transfer of assets if the recipient received fair material return from their assets.

Mr. Bolan: How about more specificity?

Hon. Mr. Norton: Thus, the purchase of a freezer, a stove or other appliances, the payments of debts, car or house insurance and other similar expenditures are within the meaning of the regulations and should not affect eligibility. Since the administration of general assistance serves both short-term and long-term recipients, it is necessary that municipalities continue to maintain their existing discretion in the administration of the program.

An hon. member: Is that the totality of it? [2:15]

Hon. Mr. Norton: Such discretion, however, must be exercised both prudently and within the provisions of the Ontario law. We found it necessary to intervene at the point where the actions of this municipality were not consistent with the relevant regulations. To the knowledge of my officials, this problem has arisen only in this one municipality and yesterday's decision by Chatham city council will ensure that all social assistance recipients in Ontario will benefit from the child tax credit without exception.

This problem arose due to the fact that the federal government was not able to provide the new child tax credit once a month or once every three months; accordingly, families receive a lump sum payment once a year, which is the equivalent of 12 monthly payments. We have asked the federal government, once again, to modify their tax credits to provide monthly or quarterly payments, and I might add that prior to the announcement of the child tax credit system all of the provinces urged, in fact, pleaded with

the federal minister to sort out the administration of the tax credits before proceeding. The provinces, at one point, offered to handle the administration through their monthly distribution system, to avoid the very kind of problem that has developed in the city of Chatham.

I trust that following the election the federal government, having gained the maximum credit that it could during this particularly crucial period, will be able to introduce the necessary changes to the system so that these problems will not continue in the future.

NOISE CONTROL GUIDELINES

Hon. Mr. Bennett: In February 1977 the Ministries of Transportation and Communications and Housing announced that "where feasible" noise barriers would be provided by the Ministry of Transportation and Communications for new construction work on major freeways through existing residential areas. It was also stated that developers of new residential units near freeways would have to include similar measures to reduce noise impact.

We are now able to introduce guidelines to control the noise in outdoor areas of new residential developments near freeways. I am pleased to announce a new policy which has been formulated in consultation with the Ministries of the Environment and Transportation and Communications.

Briefly, this new policy sets an objective of 55 decibels as an outdoor noise level in residential developments adjacent to freeways. Where the outdoor noise level is likely to be excessive, the developer must demonstrate that measures will be taken to get as close as possible to this objective level of 55 decibels. In those cases where the attenuated outdoor noise level exceeds 70 decibels, residential development will be prohibited because this is the level where extensive community dissatisfaction occurs.

My ministry, in co-operation with the Ministries of the Environment and Transportation and Communications, will be forwarding guidelines on outdoor noise levels for new residential development to all municipalities. This material also indicates some techniques which could be used to reduce the noise impact. Copies of these guidelines will also be provided to all members.

Noise control guidelines are also being prepared relative to the indoor sound environment and these should be ready in the very near future.

TRUCKING POLICY

Hon. Mr. Snow: I would like to take this opportunity to bring the Legislature up to date on the work my ministry has been doing with respect to trucking policy and regulation in Ontario.

Ever since the select committee on the highway transportation of goods submitted its report, we have been concentrating on reviewing and implementing as many of the recommendations as possible. However, as the members are aware, it is an ongoing process, designed to keep pace with the changing requirements of the trucking industry. In the work we have been doing, our broad goal has been to ensure that Ontario enjoys a safe, efficient and responsive transportation system for the highway movement of goods.

One of the major areas of concern, as expressed not only in the select committee report but since I became Minister of Transportation and Communications, is to provide a specific way of clearly defining and developing this goal and of transmitting it in the form of government policy to the Ontario Highway Transport Board. To date, legislation has not been explicit on this. Therefore, this is one of the major changes I am proposing in the new legislation.

As a first step towards a more coherent policy direction, the government has established the following principles to govern all truck operations on the highway:

The safe operation of trucks on highways is of primary importance and will continue to be promoted through all appropriate means.

The conservation of energy is vital to the economic well-being of the province and will be a primary consideration.

The best possible for-hire system will be encouraged, consistent with the right to private carriage of goods.

Economic regulation will be a continuing component of public policy and will be applied to control the suppliers of for-hire trucking services as appropriate. Economic regulation shall be applied in such a manner as to foster as high a degree of competition as possible, considering the characteristics of the suppliers and the nature of the markets to be served.

Mr. S. Smith: Are any of those new?

Hon. Mr. Snow: Flowing from these principles, the government has developed policy guidelines for the use of the OHTB. These guidelines, which will be embodied in an order in council, once the government has the legislative authority to issue policy state-

ments to the board under the PCV Act, will include the following directions:

When applying the test of public necessity and convenience, the Ontario Highway Transport Board shall take into consideration, together with other appropriate matters, the need for an efficient and viable transportation industry which, given the characteristics of the suppliers and the nature of the market to be served, will support Ontario's general economic productivity; use capital, equipment and manpower resources efficiently; promote the efficient use of energy and minimize empty movements; be responsive to existing market demand and changes thereto in terms both of the level and type of service; offer service at the lowest cost in the long run; be characterized by effective competition both within the trucking industry and between other modes; be innovative in service levels, equipment design and utilization, administration and freight-handling procedures; take advantage where possible of intra-modal and inter-modal co-ordination; and be provided by an appropriate mixture of small, medium and large operators.

The guidelines to the OHTB will of course be added to when and if necessary.

We have developed extensive legislation in response to the select committee's recommendations, legislation which I introduced last year as Bill 78 to amend the Public Commercial Vehicles Act. As everyone is aware, Bill 78 was not proceeded with because of the strong objections that were received regarding the one section of the bill that dealt with exemption of commodities. The new bill I am introducing today encompasses much of the legislation contained in Bill 78 and takes into consideration the discussion and representations that have been made since the former bill was first introduced.

One of the areas of proposed exemption related to certain kinds of agricultural supplies and products. When the former bill was introduced, it received mixed reactions. In reviewing the reactions, it became apparent that the issue of agricultural supplies and products had not been dealt with extensively enough by the select committee. Therefore, members will note I have made no reference in the new bill to the exemption of the transportation of agricultural commodities as it relates to the Ontario farmer. Rather, I have asked for a review of the whole question of farm-related trucking in order to get a better idea of the ramifications of change within this segment of the trucking industry.

The review will be carried out by Mr. Everett Biggs of Everett Biggs and Associates Limited, Brampton. Mr. Biggs, as a former Deputy Minister of Agriculture and Food, is especially well qualified to carry out this review. It is expected that there will be input from such groups as the Ontario Federation of Agriculture, the Ontario Grain and Feed Dealers' Association, the Ontario Trucking Association, the National Farmers' Union, farmers' co-ops, individual farmers, milk haulers, marketing boards and other concerned groups and individuals. Mr. Biggs will be coming back at the end of this year with a report which will enable me to respond to the needs of the agricultural community.

Another area of concern which has received a great deal of attention is the Bill 78 proposal to exempt lumber and related products. To meet the concerns of the northern and eastern lumber producers, while maintaining the principle of entry control, we propose to establish a new class of licence for the haulage of lumber and related products. This will permit the transport of lumber and related products from the region of origin specified in the licence to any location in Ontario.

For this purpose, three regions have been established—northwestern, northeastern and eastern. I will be proposing to the Ontario Highway Traffic Board that it hold hearings in these three regions for the purpose of granting these licences based on local needs.

I do not intend to go into all aspects of the new bill, but, at this point, I would like to mention some of the new initiatives. In order to be responsive to patterns of urban growth and facilitate local cartage trucking, we propose to define commercial cartage zones which will be exempt from PCV licensing, in line with the select committee recommendations.

The new legislation will also contain the authority to vary the system of PCV licensing of vehicles by issuing the plates to the holder of the operating authority rather than specifically to the vehicle. Other sections of the bill which will be of interest are the measures to simplify administrative procedures with respect to closed-door corridor movements, forms and the refiling of tariffs.

Although not part of the legislation, but of significant interest and benefit, especially to the operators of large fleets, is a regulation under the Highway Traffic Act which will provide for the one-time registration of all trailers. Commencing in the 1980 registration year, there will be a general reissue of a reflectorized trailer plate.

One further item; I have received some strong representation to amend section 17 of the Public Commercial Vehicle Act. This amendment would place other persons or organizations, in addition to the Ontario Provincial Police and Ministry of Transportation and Communications enforcement officers, in a position to carry out prosecutions. The proposal deserves consideration, but it requires analysis of the potential impacts of private prosecutions on the court system, OHTB, and the problem of evidence. I have asked my officials to look at this problem and report back to me within the next few months.

I am convinced that the legislation we propose goes a long way towards meeting the needs of Ontario manufacturers, shippers and the trucking industry as a whole, and I can assure the members that my staff will continue to work with industry representatives to ensure that legislation meets ever-changing conditions and guarantees not only access for the shippers to carriers, but also a viable trucking industry geared to meet the needs of the people of Ontario.

DREE AGREEMENT

Hon. W. Newman: Mr. Speaker, the Treasurer of Ontario (Mr. F. S. Miller) confirmed recently that negotiations with the federal government for a new DREE agreement in eastern Ontario had broken down. This morning, the Ontario Federation of Agriculture made public a letter in which OFA president, Peter Hannam, expressed eastern Ontario's urgent need for a new agreement.

Mr. Hannam is pretty angry, and I don't blame him. The province of Ontario has been ready to sign a new agreement for months. We should have had one by last January.

The history of the federal cabinet's actions since last September can lead us to only one conclusion: they don't want a new agreement and have no intention of signing one.

The whole sorry mess began on September 8, 1979, when the federal government on their own, without consulting anyone, terminated the Agricultural and Rural Development Agreement. Most of the shared-cost drainage programs ended abruptly in December, nearly four months before ARDA was due to expire. Between December and March, therefore, numerous projects went into limbo.

[2:30]

We had been led to expect that there would be a new DREE agreement to start when ARDA ended. In fact, we had actually been negotiating with the federal officials since the previous June.

Mr. Nixon: I'll bet you are not going to vote Liberal.

Hon. Mr. Davis: What is interesting is are you going to.

Mr. Nixon: I am, but I am not going to lose my vote.

Mr. Speaker: Would you like me to ask the Minister of Agriculture and Food to sit down for a few minutes while you complete your private conversation? Surely this is just common courtesy to a minister of the crown.

Mr. Nixon: It is an irresponsible political attack from the minister.

Hon. W. Newman: What we didn't know then was that the federal government had no intention whatever of entering into a new agreement. But they haven't had the courage to tell us that and they don't have the courage to tell the municipalities and the farmers of eastern Ontario either.

Mr. Nixon: What did you do with that federal money for medicare?

Hon. W. Newman: I am just telling the facts as they are. Last November the minister responsible for DREE, Marcel Lessard, met with the Ontario Treasurer, several other Ontario ministers and myself, and said that a new agreement for eastern Ontario was a high priority item.

Mr. Roy: Joe Clark needs all the help he can get.

Hon. W. Newman: Consequently, in January the province forwarded to Ontario proposals for such an agreement. We asked that Peterborough, Victoria, Haliburton, Muskoka, Bruce and Grey counties be allowed to remain in the agreement area, together with the northern part of Simcoe county.

Mr. Wildman: What about Algoma?

Hon. W. Newman: We suggested a 15 per cent overrun clause to cover inflation during the life of the agreement. This would have given us a \$57-million agreement, half to be provided by the federal government and half by the province.

Mr. Bradley: You would have to have a stimulative deficit to finance that.

Mr. Sterling: Take some of it away from Quebec.

Hon. W. Newman: However, in a dazzling flash of logic, the federal government ruled that Victoria, Peterborough, Bruce, Grey and northern Simcoe were guilty of being too close to Toronto, and they took them out. They argued, therefore, that these counties don't deserve a new agreement.

Mr. S. Smith: They were too close to Brampton. That was the exact reason.

Hon. W. Newman: Then they chopped the \$57 million back to \$50 million, leaving the effects of inflation to fall on the heads of the municipalities and people of eastern Ontario.

Mr. Foulds: Just like the Treasurer's budget.

Hon. W. Newman: To top it off, they demanded that Ottawa-Carleton be excluded from the small business assistance programs of the proposed agreement.

Hon. Miss Stephenson: While Montreal stays in.

Hon. W. Newman: By this time the end of March was approaching. The province of Ontario very reluctantly decided to grant these concessions so that we could get an agreement before the March 31 expiry date. However, we made it perfectly clear to the federal government we would be raising these issues again.

Mr. Bradley: The Tory hatchet man.

Hon. W. Newman: We got Management Board approval and we got the necessary order in council. We were all ready to sign.

Mr. Kerrio: But you kicked the pail over.

Hon. W. Newman: But the March deadline came and went without word from the federal government. In April Mr. Lessard told us why. He had discovered that Muskoka and Haliburton were as unworthy as Victoria and Peterborough under the other old ARDA agreements. He refused to sign unless these two areas were removed as well.

Mr. Ruston: Who wrote that?

Hon. W. Newman: I worked pretty late on it myself.

Faced with the threat that the federal government wouldn't sign at all, Ontario agreed very, very reluctantly. But Mr. Lessard still wasn't satisfied, having kicked Ottawa-Carleton out of the small business assistance program, and he decided to throw the rest of eastern Ontario out of this program too.

Mr. S. Smith: You've got a future as a speechwriter, Bill, but not as a minister.

Mr. Speaker: Order. Will the Leader of the Opposition try to set an example? That's the least he can do.

Hon. W. Newman: Mr. Speaker, the \$10 million small business assistance program is vital to the economic health of eastern Ontario. The previous ARDA agreement contributed enormously to job creation and resource utilization in eastern Ontario. That

program, which we shared 50-50 with the federal government, built or renovated everything from sawmills to cheese plants. It not only made jobs for the people employed directly by the assisted companies, but it stimulated the construction industry, the trucking industry, the dairy industry, and retail firms in the towns of eastern Ontario, to name only a few secondary beneficiaries.

For the future, we had envisioned the small business assistance program taking up where ARDA left off and helping to establish production facilities, for example, to stimulate agriculture and the marketing of agricultural products.

But all this federal backtracking is by no means the whole story. Not by a long shot.

Interjections.

Mr. Bradley: It's the whole story, but it's not the real story.

Hon. W. Newman: Two of the most critical components of the ARDA agreement were drainage and flood control. When the federal government axed ARDA, they said they would pay their one-third share for drainage projects on which commitments had been made. There were 70 such projects, for which engineering contracts had been let. Some of these go back two or three years; one even goes back to 1973.

In December, the federal government finally agreed to pay their one-third share of projects for which construction contracts had already been let. That decision has left a lot of projects hanging, projects on which all the engineering has been done. I personally made a vigorous protest to Mr. Lessard that he at least agree to include a few of these outstanding projects.

Mr. Eakins: I'll bet you did.

Hon. W. Newman: That still leaves dozens of projects hanging. If this agreement had been ready by the end of March, as we had hoped, these projects would have been well under way today. However, here it is May, and there is still no agreement. I'm beginning to wonder if the federal government intended those projects ever to be built.

Interjections.

Hon. W. Newman: There are municipalities and individual farmers left, not only without long awaited drainage facilities, but holding the bag for the federal government's committed, promised, share of the costs. Engineering costs already incurred run into very large sums. These municipalities are faced with finding money to pay the federal government's share from their narrow tax bases. Individual farmers face the prospect of meet-

ing Ottawa's obligations from their own pockets.

As for flood control and land reclamation projects, we were all ready to go ahead with some vitally needed work on the Chesterville and Plantagenet channelizations in the South Nation watershed project, but, now, with negotiations stalled, this program is in abeyance. This project is vitally important. Thousands of dollars are lost by area farmers every year in the spring floods.

Mr. Bradley: Tell us about Joe.

Mr. Nixon: Political baloney.

Hon. W. Newman: Political—who is playing politics? You're defending your kissing cousins and you say you want to separate from them. That's what you're doing.

Interjections.

Hon. W. Newman: In fact, the situation was so serious the province authorized some work to begin, because we had been assured—

Mr. Peterson: We should have got you on the debate the other night.

Hon. W. Newman: —repeatedly by federal representatives that this project had high priority in the federal government.

Interjections.

Hon. W. Newman: This behaviour by the federal cabinet displays a callous disregard for the welfare of the people of eastern Ontario, but I would go further and say a government which reneges on promises of many years' standing, and has the gall to do so in the middle of an election campaign, is showing contempt for the people it has betrayed.

Interjections.

Hon. W. Newman: The people of eastern Ontario have been betrayed. There is no other word to describe the federal government's behaviour in this sorry affair.

Interjections.

Mr. Speaker: Order, order, order.

CONDUCT OF MEMBERS

Mr. Speaker: First of all, I would like to apologize on behalf of all members of this Legislature for their conduct to our visitors in the galleries today. If we can now get back to ministerial statements, I will hear the Minister of Education.

Mr. Nixon: On a point of order, sir, I'd like to bring to your attention, sir—

Mr. Speaker: There is nothing out of order. It is my responsibility to see that we maintain order in this House. I have failed to do so in the last 15 minutes. There is nothing out of order except the members of this House.

Hon. Miss Stephenson: Mr. Speaker, I am pleased to announce an improvement in the level of funding—

Mr. Nixon: On a point of order.

Mr. Warner: Point of order, Mr. Speaker.

Mr. Speaker: What is your point of order?

Mr. Nixon: My point of order, sir, is that I do not find it necessary for you to apologize for me. As a member of this House, I have the right to say what I choose, and that is what I have done.

Mr. Speaker: Within the rules of this House. It's my responsibility to maintain order and decorum, and I have failed to do it. If I don't apologize on behalf of the members of this House, I do so on my own behalf to the members up here.

Interjections.

Mr. Warner: Point of order, Mr. Speaker.

Some hon. members: Resign.

Mr. Warner: Am I correct that it is normal procedure for us to allow a maximum of 30 minutes for statements? Are there many more statements to follow?

Mr. Speaker: That only applies on days when we have private members' public business.

HERITAGE LANGUAGES PROGRAM

Hon. Miss Stephenson: Mr. Speaker, I am pleased to announce an improvement in the level of funding for the heritage languages program, effective September 1, 1979. This will replace the funding provisions in the 1979 general legislative grant regulation. The improvement is a reflection of our continued commitment to the broadest possible principles of a multicultural society as a unique part of our Canadian heritage.

The government believes strongly in the value of the heritage languages program. The changes are being introduced in order to reassert that commitment and to ensure that the program is fully viable and that all children in Ontario whose parents are interested in the objectives of the program will have an opportunity to participate in it.

As of September 1, 1979, a grant of \$13.50 per instructional hour will be provided where a school board provides heritage language classes whose size averages 10 pupils. This will be increased by 50 cents per pupil where the average is more than 10 pupils per class, to a maximum of \$21 per instructional hour where the average class size is 25 or more pupils. These amounts represent the provincial contribution and do not include a local share.

An analysis of the actual costs incurred by school boards offering the program indicates that in the vast majority of cases the cost of providing heritage language classes will be equal to or less than the level of the provincial grant. School boards should, therefore, be able to provide these classes without imposing a mill rate burden on local taxpayers and without imposing a fee on participating pupils.

These changes mean, in effect, that the provincial government is assuming the full cost of the heritage languages program and will be funding it in a way that ensures there will be no decrease in the general provincial funding available to school boards that is otherwise provided in the 1979 general legislative grants regulation.

Our province and its people are inordinately enriched by the many cultures and languages which have been brought to our shores. This enrichment must and will be sustained through this program's activities.

Mr. Foulds: Now do it for special education.

Mr. Swart: Finally. Congratulations to the member for Oakwood (Mr. Grande).

ORAL QUESTIONS

RADIATION FROM X-RAYS

Mr. S. Smith: I'd like to direct a question to the Minister of Health on this continuing matter of X-ray exposure of patients. Since, as I said earlier, the only thing the ministry is required to do to protect those of us who are patients is to make sure the people using the X-ray equipment are properly licensed and able, and to make sure the equipment itself is the best available to reduce exposure, why are we continuing to read that the minister refused to make registration mandatory for those who use the equipment and, now, that his inspection team was allowed to wither, according to this morning's *Globe and Mail*?

Hon. Mr. Timbrell: Mr. Speaker, let me deal with the last part. As to why the member continues to read about this, he may well have to ask some of the people who are writing it.

[2:45]

Let me deal with the question of the size of the X-ray inspection service, and let me take members back to 1972. I got these figures this morning. In 1972, there was a total of 12 complement for the X-ray inspection service which consisted of one manager, eight technical staff—for "technical staff," read "inspectors"—and three clerical support.

By 1976, that had changed to a total complement of 11: one manager, seven technical staff and three clerical support. It was at that point that one inspector had been transferred to the Ministry of Labour with the associated work with veterinarians, research, education and so forth; that person was responsible for about 500 units. So that made 11.

By 1977, that was reduced to 10: one manager, seven technical staff and two clerical support, the reduction being in the clerical support.

Currently we are running at one manager; seven technical staff, including one vacancy, and one clerical support, for a total of nine. I hardly think that would be classified as withering.

Regarding the earlier part of the honourable member's question, with respect, I believe I answered that yesterday. In my reply to the society, which recently wrote to me, I certainly did not dismiss any of their suggestions. I indicated in my reply that we had started into this work with the Ontario Medical Association in developing this program to which relates the research project of Drs. Johns and Taylor, and which we are funding to a very great extent, and that we wanted them involved in the process. One of the answers to that may well be registration, but that will come out as we move along the way through this overall effort.

Mr. S. Smith: By way of supplementary: The record given by the minister is certainly one that I would classify as withering, even if he does not—from 12 down to eight in a time when we are learning more and more about X-rays and their dangers.

But to ask a precise question, which I want to ask now, is the minister familiar with the fact that Dr. Taylor's study shows that the screen-film combinations and the presence or absence of a filter can make a difference of a factor of 10 in the amount of radiation to which people are exposed?

In this circumstance, why does the minister not act immediately, and why did he not act when he first knew about these matters, to make sure that only the fast film and screen combinations are installed in Ontario equipment and that there are proper filters in all the equipment being used on patients?

Hon. Mr. Timbrell: This is the type of thing that was referred to in the statement last week as well as the report of the kinds of things they have learned from the research which has been done to date, funded by the ministry, various foundations, PSI and so forth. It is an educative problem of applying this.

One of the other things that I indicated yesterday we are hoping will come out of the early stages of this next project, this \$600,000 project, is something we can mail to all operators and use to check regularly—more regularly than manual inspection would do, no matter how many inspectors were involved.

The Leader of the Opposition suggested that the service is withering. The part that is most important is the technical staff component, which has gone from eight to seven. Admittedly, there is a vacancy right now—we are running at six—but we have gone from eight to seven. That is hardly withering.

Mr. Cassidy: A supplementary question, Mr. Speaker: Since it is a matter of public record that Dr. Taylor's program of reducing hazardous X-ray exposures can be accelerated if there are additional funds, does the minister consider the problem sufficiently urgent to provide the extra funds, and when has his staff met with Dr. Taylor to establish how much additional funding will be required?

Hon. Mr. Timbrell: First of all, Mr. Speaker, let me make clear that in the \$300,000 grant over three years we granted everything that had been asked for. Everything. Since this matter arose as a publication in the last week, apparently Dr. Taylor has said to a reporter that he thinks there might be some way to do it faster.

What I have indicated—and my staff are aware of this; I know some of them talked with Dr. Taylor last week, but he was away for the weekend, and I am not sure he is back yet—is that if they got a proposal that in their judgement, since it is a matter for the scientists to work out between them, will bring about a staged resolution of this matter faster, then we are certainly prepared to put more money and more staff into it. We are committed, now, to the \$86,000 for research over 1978-79 and 1979-80; to the \$300,000 to this latest evolution of their work along with providing two additional staff. If they can propose to us more that will bring it about faster, we'll commit it.

Mr. S. Smith: So the minister would have us know there are six inspectors on staff at the moment. Can he tell us how many inspections they make; how many machines there are to be inspected; why it is that some machines appear not to have been inspected in as long as 12 and 22 years, and how many defective machines have been found? Can we have access to the inspection certificates to see the results of these inspections and what it is they've been inspecting?

Hon. Mr. Timbrell: Let me go back. The member asked these kinds of questions yesterday and I said I'd be more than willing, be anxious to discuss this during our estimates so that we can review all these matters. But, I want to go right back to the statement issued last week by the gentlemen who prepared this research. Let me remind the member again of the closing sentences of their statement:

"It is tempting to suggest that dose reduction can be achieved by government regulation and inspection. This is far from the truth, since we are dealing with very sophisticated pieces of equipment and many disciplines with different levels of knowledge. The only real solution to the problem is a co-operative one between the various groups mentioned above, and the eventual creation of inhouse capabilities in radiation control."

I wish he would acknowledge and recognize the fact that in launching into this effort over the last 18 months, and in particular this project which we are supporting through the Ontario Medical Association, with Drs. Johns and Taylor, we are further ahead than any other jurisdiction in eradicating a very serious problem.

Mr. Cassidy: Supplementary, Mr. Speaker: The minister says that apparently Dr. Taylor is now saying he could use more money. In view of the urgency and in view of the need-less exposure to excess X-ray radiation, why haven't the ministry's officials already contacted Dr. Taylor to find out by how quickly this can be accelerated and to ensure that the decision to speed up is made and funded right away?

Hon. Mr. Timbrell: The matter of public record to which the member for Ottawa Centre refers was embodied in an article in the *Globe and Mail* on Saturday morning, and my staff tried to contact the gentleman, but as I've already said, he was away for the weekend. Certainly, once contact is made we'll make it clear to him directly. I want to repeat that we granted every single penny that had been asked for in the original proposal. If there is a modified proposal they want to put forward that will bring about a faster resolution, we're quite prepared to support it.

[Later (2:58):]

Mr. Cassidy: I have a question for the Minister of Labour about X-ray hazards. In view of the piling up of evidence of serious health effects resulting from low levels of radiation, including radiation below the present allowable standard of five rems per year, will the minister make a commitment to expand the ministry's funding of research on

the possible health hazards to X-ray technicians in Ontario, and will he also consider the hazards that may be undergone by people who are X-ray technicians in industry?

Hon. Mr. Elgie: Mr. Speaker, as the member for Ottawa Centre knows, when the new occupational health and safety bill is promulgated in the near future it will bring the X-ray technicians throughout the province under the sphere of that legislation under this ministry. I can assure him that the funding that's available for research within my ministry, for which there is an awards grant committee, will continue to be available and I would certainly hope that as the months go by that funding will remain as broad as it is and hopefully even expand.

I wouldn't be prepared to give him a definite commitment, but I do want to assure him that priorities are placed on areas where priorities should be and if that does continue to be a problem that one should be concerned with, and I am concerned about it, then it will undoubtedly receive some priority in line with others.

Mr. Peterson: What did you just say again?

Hon. Mr. Elgie: I said I want to go to London and visit you.

Mr. Cassidy: Supplementary: Is the minister not aware that a number of scientists have recommended lowering the current allowable exposure for people exposed to X-ray radiation to one tenth of the present level? Does the minister not think that it's of the utmost importance to find out what the facts are about the health hazards to X-ray technicians, particularly since many of them will be women of childbearing age and therefore of the age and sex running the greatest possible hazard from this kind of radiation?

Hon. Mr. Elgie: Certainly we do, Mr. Speaker, and the member well knows that all areas of concern with regard to health and safety are being reviewed at all times within the ministry and that's another area that will be reviewed and with greater intensity once that particular matter becomes part of my ministry under the new occupational health and safety legislation.

Mr. B. Newman: Supplementary: May I suggest to the minister that he consider providing the individual who is X-rayed with some type of a log so he would have a permanent record and could show it to another medical practitioner as to the frequency and the intensity of the X-rays that he has been subjected to?

[3:00]

Hon. Mr. Elgie: As someone who has worked in the area where one gets exposed to X-rays, I may tell the member, in case he wasn't aware of it, that we are required already to wear little indicators on our lapels when we are exposed to radiation and those records are kept and tabulated through Ministry of Health records. So that is already being done.

Mr. Cassidy: Since the minister has confirmed that the protection of X-ray technicians is presently in limbo because Bill 70 has yet to be proclaimed and that authority has yet to be taken on by the ministry, can he say when the relevant portions of the act will be in force so that X-ray technicians can start to get adequate protection of their health from the Ministry of Labour?

Hon. Mr. Elgie: The implication is that they are not receiving adequate protection now, and I question that. But as to when the bill will be promulgated, the member well knows we are working diligently on all the regulations and—

Mr. Cassidy: You promised it for April.

Hon. Mr. Elgie:—promulgation of the act automatically rescinds all other legislation dealing with occupational health and safety. It would certainly be inappropriate to do that until all of the regulations involved in all of the areas are prepared.

Mr. Bounsall: When's it coming?

Mr. Conway: To the degree that the Minister of Labour can inform us in a way the Minister of Health indicates an unwillingness to do, can he indicate what it is inspectors are inspecting or are likely to inspect and what specific qualifications they have for what is clearly a very important mandate in terms of public safety?

Hon. Mr. Elgie: I don't have that information at present available, but if the staff have documented and itemized the particular information the member wants, I will be pleased to provide it for him.

[Reverting (2:52):]

STUDENT HEALTH QUESTIONNAIRES

Mr. S. Smith: A question for the Minister of Education: Can the minister give us her view of the form being used by the board of education in Toronto in which parents are asked to sign a routine consent, so that information can be given from the board of health to the board of education? The matter was described by Justice Krever as an abuse of authority. What is the view of the minister and what action is she planning to take?

Hon. Miss Stephenson: I have not, as yet, had an opportunity to see the form suggested

specifically by the Toronto board, but the reports I have had about some of the requested information would lead me to believe that Mr. Justice Krever has a point which should be considered very seriously. It would appear to me, that while it is necessary for teachers and those responsible for developing program to have the essential, relevant information about the kind of illness or impediment which a child may suffer, some of the questions which are being asked on that form may be a severe and intensive intrusion into the medical privacy of the children involved.

I would wish to have some very prolonged discussions, not only with those who are considering this from the point of view of the medical record, but also with those who are considering this from the point of view of teacher requirements. I think that that is essential and I don't think that any board should develop unilaterally, the kind of document which may indeed intrude upon the medical privacy of the children they are supposed to serve.

Mr. S. Smith: By way of supplementary, if I may ask a brief two-part supplementary: Will the minister look into this matter and make sure that all school boards are informed that a formal consent should only be sought when there is an understandable reason for such consent? Similarly, can she tell us what the situation is at the community colleges and universities? Is she aware of any instances in which people are asked to sign such consent forms to obtain medical information and this information is made available to the university or to the community college on a routine basis with regard to students who are studying there?

Hon. Miss Stephenson: Mr. Speaker, I should like to assure the Leader of the Opposition that we had begun the exploration of this specific problem much earlier than when the statement was released by the Toronto board. I had discussed it earlier with some former members of the Toronto board as well, because of their specific concern about it, but it is a matter which must be examined by those who have some knowledge and some responsibility for the maintenance of the security of medical privacy of individuals within this province.

I am not aware of any specific indications that questions in relation to medical information are being asked of those students at community colleges or universities who are not yet deemed adults. I have been informed that upon occasion, for specific reasons, the medical officer or the person involved in the health care of university students has made information available to the administrative

staff of the university, I presume for faculty use.

In those instances about which I am aware, I thought it was for a very good medical reason, for the protection of the individual student himself or herself, and I am not aware of any widespread activity in this area. I shall certainly be willing to investigate to see whether there is.

Mr. S. Smith: A final, brief supplementary: Would the minister not agree that consent should be obtained in these instances from the student involved, since some cases have come to my attention, and possibly to hers, where the student felt that perhaps this information was then used in a discriminatory way? As long as this consent is always obtained, I am sure we would have no objections.

APPRENTICESHIP PROGRAMS

Mr. Cassidy: I have a question for the Minister of Education. Would the minister care to comment on a survey which people in my office have just done of 10 industrial firms employing over 6,000 workers in Ontario, which showed they have only 67 apprentices? Does the minister think the government is meeting the needs of industry when these firms have only 67 apprentices for 1,513 skilled workers, giving a ratio of one apprentice to every 22.6 skilled workers?

Hon. Miss Stephenson: In response to a question last week, I think I made it very clear we were attempting to encourage industrial establishments of all sizes, beyond those which are very small, to become involved in the apprenticeship program or employer-sponsored training program.

We have indications from a very large number of firms that they are interested, and we are moving as rapidly as possible towards the involvement of such firms. I would respond by saying those firms obviously have not perceived the need in the past to be as involved in industrial training as they should be. It would seem to me there would need to be a great deal of encouragement provided for such firms, in order to persuade them they should become involved with such a program.

Mr. Cassidy: Supplementary: Can the minister explain why it is these 10 firms, which she says have not perceived the need to train skilled workers in this country, should be 10 of the firms that were allowed to seek workers abroad under the selective placement service of the Ministry of Industry and Tourism? Can she explain why those firms with only 67 apprentices were allowed to seek 119 skilled workers abroad? Doesn't the minister think it is time for more than

just persuasion in order to ensure that industry is training here in Canada the skilled workers that Ontario needs?

Hon. Miss Stephenson: There are different forms of persuasion. I am much more attuned, I suppose, to those which are not related to the Neanderthal position of a very large club with a very large nail in it, as the honourable leader of the third party seems to be suggesting.

Mr. Sweeney: Can the minister explain how it is that firms like Ford and International Harvester, who have none or very few apprentices in Ontario, have a substantial number of apprentices in European countries like West Germany, France, Sweden and England?

Hon. Miss Stephenson: Yes, I can. It is because of a number of factors: the traditional status of the individual who has a skill training within that society, the activity which has been taken by the employers and the trade unions in those countries to be actively involved in the development of programs; the role of the government in legislating certain kinds of arrangements related specifically to educational streaming of young people at a very early age into apprenticeship programs.

Mr. Martel: That was the Bill Davis scheme, streaming kids.

Hon. Miss Stephenson: All of these factors have had some bearing upon the numbers which are obviously participating in such programs, particularly in West Germany and in Great Britain. Mr. Speaker, those are models which have been looked at as far as North American jurisdictions are concerned. They have, in fact, been rejected by almost all North American jurisdictions in terms of the development of apprenticeship programs. We are looking at other methods which hopefully will produce the same kinds of results.

Mr. Cassidy: Mr. Speaker, since the ratio of one apprentice to every 22.6 skilled workers is clearly inadequate to meet Ontario's need for skilled manpower in the 1980s, can the minister say when Ontario's programs will ensure there is one apprentice for every eight skilled workers, as recommended by the UAW, or when we will achieve the level of one per every three skilled workers, as is permitted under Ontario's apprenticeship regulations?

Hon. Miss Stephenson: Mr. Speaker, we would be delighted, in many instances, to develop programs which would permit one apprentice for every three workers. That was the purpose of the legislation being drafted in that manner. There are certain impedi-

ments to reaching that goal of which I am sure the honourable member is aware, including some negotiated contracts which do not permit that kind of relationship or that kind of ratio. But, Mr. Speaker, we are working as diligently as possible in the direction of improving the ratio of apprentices to employees within a number of establishments. We have selected priorities because of the specific concerns that have been expressed by employers and trainers and young people looking for jobs. We are moving in those areas in which the priority has been established and we will be very happy to expand as rapidly as possible once we have the program launched as well as it should be.

Mr. Sweeney: Can the minister explain why the employer-sponsored training program which is supposed to be the flagship of this government's new approach—and we were advised a year ago there would be several thousands of people involved in this—at this point in time has only 750 involved?

Hon. Miss Stephenson: I promised the honourable members I would bring in all of the figures related to apprenticeships and to employer-sponsored training and that I shall do. I am sorry they have not been made ready for today.

CHILD SUPPORT PAYMENTS

Mr. Blundy: Mr. Speaker, a question for the Minister of Community and Social Services: In view of the need for increased income for single welfare mothers, but mindful of the government's financial constraints, would the minister take steps to vastly improve methods for collecting child support orders? As yet unpublished information I have from statistics provided by Chief Judge Andrews shows in 1978 over \$38 million in child support payments were in arrears in Ontario alone.

Mr. Mancini: Shame!

Mr. Blundy: In view of this huge amount of uncollected moneys, representing 70 per cent of all accounts, and in view of a rather dismal collection rate of 43 per cent in 1977-78; will the minister take immediate action to improve his ministry's success in collecting child support orders?

Hon. Mr. Norton: Mr. Speaker, I couldn't agree more with the point the honourable member is making with respect to the rather dismal performance of spouses in terms of supporting their families in this province once they have deserted. I have on occasion in the past discussed that with the Attorney General (Mr. McMurtry).

I have not seen the data the honourable member quotes, but if the figures are accurate I must say it is even more alarming than I thought. I assure the honourable member I will discuss it further with the Attorney General immediately.

Mr. Blundy: In view of the many inadequacies and inequities written into the Family Benefits Act and its regulations—inequities I think the minister acknowledges—and in view of the well-documented concern expressed by the family benefits work group that not only are allowances too low but are designed to discourage remunerative work and job training opportunities, would the minister now commit himself to rewriting this legislation in a fair and sensitive manner?

Hon. Mr. Norton: Mr. Speaker, there is probably nothing that I would like to see done more than a major overhaul of the total income distribution system in this country. I would point out that in any given year, according to the analysts in my ministry, the total amount of income transferred in various types of income-support programs in the country—not just in Ontario—is about \$16 billion. The bulk of that would be at the federal level and the remainder with the other governments, including municipal governments.

I believe a much more effective distribution of \$16 billion can be made to see that those people in the lower economic groups can receive a better and fairer share. That major overhaul is something which the province would find very difficult to undertake alone, because of the need to comply with federal legislation and the need to qualify for cost-sharing.

In the earlier part of this decade, for four and a half years there were discussions between the provinces and the federal government which were intended to lead to a major overhaul of social services in this country. That culminated, about a year and a half ago, with the federal government unilaterally announcing that it was not going to continue with that. It substituted for it a proposal for block funding of social services which would allow the provinces to get out from under the Canada Assistance Plan and have greater flexibility in providing services to people in the province. That proposal was unilaterally withdrawn last fall, along with the \$55-million commitment for increased funding this year.

Mr. Peterson: He didn't ask for a speech on everything you do.

Hon. Mr. Norton: I am answering the member's question as fully, as honestly and

as completely as possible, if my friend will just give me an opportunity.

Mr. S. Smith: He's asking for a revision of the act. That's all he is asking.

Hon. Mr. Norton: Although I would like to see done what the honourable member is suggesting, it is simply not possible for a single province to do a major overhaul alone—

Mr. S. Smith: You can revise your own act.

Hon. Mr. Norton: —when the bulk of the money is being transferred at the federal level from one fairly high-wage earner to other fairly high-wage earners, and the poor are being forgotten by the federal government.

Mr. McClellan: A supplementary question, Mr. Speaker: I want to ask the minister whether he is aware that, for a mother with three children on family benefits, the allowance in 1971 was \$2,948 and the allowance in 1979, \$5,469, which translates into 1971 dollars at \$2,954, for a net gain of \$6.

Mr. Speaker: How do you relate that to the original question?

Mr. McClellan: The original question had to do with the adequacy of allowances.

Interjections.

Mr. McClellan: I want to ask the minister how he can pretend that those allowances are adequate when there has been no net gain in seven years—

Mr. Speaker: Order. As I recall, the question dealt with the inability or the ability to collect. Final supplementary?

Mr. Roy: By way of a supplementary question, Mr. Speaker: Since the proclamation of the Family Law Reform Act some time around April 1, 1978, and with the provisions in that act for attachment orders against salaries and for penalties for absconding or for delinquent payments on support orders, can the minister advise whether that act and its provisions have assisted his ministry in the collection of these orders, and is his ministry making full use of the tools given under the Family Law Reform Act for the collection of these delinquent payments?

Hon. Mr. Norton: Mr. Speaker, I do not have current figures on the rate of recovery and what the changes might be at this point. I will try to get that information for the honourable member.

AUTO INDUSTRY

Mr. Cooke: Mr. Speaker, a question to the Treasurer: Is the minister aware that

in the first quarter of this year the auto trade deficit with the United States was \$478 million, compared with \$84 million in the comparable period last year? Does this not demonstrate that serious problems with the auto pact still exist? What is his government doing to resolve them?

Further, is the minister aware that Chrysler Corporation purchases all its four-cylinder engines from Volkswagen and from a Japanese company and claims it cannot build its own four-cylinder engine plant because of lack of financial resources? Would the government be willing to talk to Chrysler and enter into a joint venture—quite different from the \$68-million grant that the government gave—sharing ownership, sharing profits and providing jobs for the people of Ontario.

[3:15]

Hon. F. S. Miller: Mr. Speaker, the honourable member got in quite a few questions in one period of time. I'm not sure I'll get them all in order.

The auto trade pact was negotiated by the federal government. We feel that it has had a very thorough review recently. I'm sure the member has seen the results of that review.

What are we doing about it? First, in spite of the member's objections in his own riding, we helped the Ford Motor Company of Canada Limited. We got \$500 million worth of their money for \$28 million worth of ours to create 7,000 jobs in the community, which does appreciate this government.

Hon. Mr. Davis: They like it down there.

Mr. di Santo: Supplementary, Mr. Speaker: Doesn't the minister realize that, despite the \$28 million and the \$68 million given by the provincial and federal governments respectively the export of parts from Canada to the United States has increased by only 26 per cent while imports have increased by 36 per cent and the deficit in parts will be \$1.2 billion in 1979? Can the minister tell us how many jobs will be lost in Canada as a result of the deterioration of our trade deficit, and what he is going to do?

Hon. F. S. Miller: The Premier, the Minister of Industry and Tourism (Mr. Grossman) and I very recently had a very enjoyable discussion with a number of auto parts manufacturers. I can assure the member there is a great deal of interest in building more plants in Ontario. We only had to assure them that we would win

the next election and the opposition wouldn't, and they said they were willing to put the money here.

Interjections.

CHILD TAX CREDIT

Mr. Watson: I have a question for the Minister of Community and Social Services. Will the minister meet with representatives of the city of Chatham to discuss the welfare payment program in this province and specifically to discuss the payments to the welfare family that the council ruled invalid and which the minister subsequently overruled, in view of the fact that there is considerable concern in Chatham and, I expect, in other cities that didn't catch on to the fact that some of the people are receiving these large payments from the federal government all at once and maybe the municipalities should demand that the system be changed?

Hon. Mr. Norton: I would be pleased through the member to arrange to meet the representatives from that municipality and hear their views. I would remind them though that we are all bound by the law of the province.

EASTERN ONTARIO DEVELOPMENT

Mr. O'Neil: Mr. Speaker, I would like to ask a question of the Treasurer (Mr. Grossman). I might also ask the Minister of Agriculture and Food (Mr. W. Newman) to listen closely because it has to do with the Eastern Ontario Development Corporation. When he was describing DREE, I thought he was talking about the Eastern Ontario Development Corporation.

I would like to ask the Treasurer for some comments and answers concerning the Eastern Ontario Development Corporation. Funds ended abruptly at the beginning of this year. In the words of the Minister of Agriculture and Food, everything went into limbo. No one had the courage to tell us what was going on, yet we were told it was high priority.

Mr. Speaker: What is the question though?

Mr. O'Neil: The question is this: I would like to ask the minister what additional funds have been allotted to eastern Ontario? I would also like to ask him why so many small businesses and industries are being turned down left and right, while large funds are being given to multinational companies in this province?

Hon. F. S. Miller: The Minister of Industry and Tourism is away. He is in Japan helping us get some sales.

Mr. Warner: It's part of your buy Canada program.

Hon. F. S. Miller: I would suggest that he is better qualified to answer for OEDC than I am. I can only say that the slowdown was because of the outstanding success we had had in obtaining applications. In fact, there were so many applications that the entire budget for the year was going to be over-subscribed. Until the minister made his statement about a week and a half or two weeks ago clarifying the issue, there was no use taking on more than we currently had money to provide.

Mr. Conway: That's never stopped you before. That's your modus operandi.

Hon. F. S. Miller: However, we have seen ways. We are going to be using banks a little more so that there are more guarantees and so that the government's money will go further. I can assure the member, just as we have noted last week that the Smiths Falls project had been approved by the Employment Development Board, he will see a good deal of action in those areas where we have applications that, in our opinion, are able to stand on their own feet.

Mr. O'Neil: A supplementary: I wonder if the minister is aware then of the feeling that exists in eastern Ontario where they feel he is only interested in the large multinational companies and that these small companies which are being turned down are the companies that really need the assistance? Who is really letting down the people in eastern Ontario?

Hon. F. S. Miller: I think one needs to be specific. I would say if anything has destroyed the confidence of eastern Ontario it's been the actions of the federal government in the last while by refusing to sign the DREE agreement with us.

Mr. Eakins: Supplementary, Mr. Speaker. Why does the Treasurer attach such a low importance to tourism loans through the development corporation? In past years, about 25 per cent of the approved loans have gone to tourism. In 1977-78, out of 398 loans only 52 went to tourism, which is 7.5 per cent. How does he account for that?

Hon. F. S. Miller: Mr. Speaker, I personally attach a very high importance to tourism for obvious reasons. It's the largest industry. It supplies 410,000 jobs in this province.

Mr. Eakins: Give us the answer to the question.

Hon. F. S. Miller: I would like to have the minister tell the member how many

applications there were rather than how many approvals there were.

Mr. Eakins: There were 398.

HERITAGE LANGUAGES PROGRAM

Mr. Grande: Mr. Speaker, my question is for the Minister of Education. Is the minister aware that the improvement in the heritage languages program she announced today will mean a 48 per cent cutback in September 1979 instead of the 50 per cent cutback which she originally announced in February? Is this two per cent solution all the concern her government can muster to show "continued commitment," as she put it in her release, "to the broadest possible principles of a multicultural society as a unique part of our Canadian heritage"? Will the minister, once and for all, rescind the 50 per cent cutback?

Hon. Miss Stephenson: The announcement today, in fact, means no cutback but an increase to the entire heritage languages program. I would be delighted to hear the circuitous mathematics the member went through to come to the very erroneous conclusion he just presented.

Mr. Grande: A supplementary: Is the minister not aware that the February legislative grant to the heritage languages program announced by her was—

Hon. Miss Stephenson: Would the member kindly read today's statement which supercedes the February announcement?

Mr. Grande: Mr. Speaker, may I ask the question and the minister can answer it? Is the minister not aware that the February legislative grants she announced were \$20 per instructional hour for the heritage languages program, which meant a 50 per cent cutback from last year, and now she is changing it to \$21 per instructional hour? Does this not represent a two per cent solution? If not, answer.

Hon. Miss Stephenson: Mr. Speaker, it is perfectly obvious that the member has neither read nor listened to the statement. The statement specifically said, and I would remind the member that the total funding for the heritage languages program in the province of Ontario is provincial funding, and that it is at the level of \$21 per instructional hour where the class is 25 or more; \$13.50 per instructional hour where the class is 10 pupils, with a gradation in between. The funding will come entirely from the province.

It will mean a very slight reduction, I would presume, in the amount of money

made available to the Metropolitan Toronto Separate School Board and that is the only group which will have a slight reduction, but in the cost estimates of the provision of their program, \$21 is what the cost is to provide the program for the Metropolitan Toronto Separate School Board.

Mr. Speaker, if I may, it is a reduction over what they received last year—

Interjections.

Hon. Miss Stephenson: —because of the fact it was provided at a rate of grants for the Metropolitan Toronto School Board which permitted that school board to develop a profit related to the heritage languages program.

Mr. Bradley: Shame.

Mr. Sweeney: Given the history of this government's starting programs or encouraging boards to start programs and then, at a later date, withdrawing some of the funds, for the record will the minister tell me exactly what she means by the last sentence, "This enrichment must and will be sustained"? Exactly for how long, and by whom will it be sustained?

Hon. Miss Stephenson: It means precisely what it says.

Mr. Conway: At least until the next election.

Mr. di Santo: Last year, the Metropolitan Toronto Separate School Board lost \$1 million in grants.

Hon. Miss Stephenson: In grants?

Mr. di Santo: Yes, because of the reduction in grants. In 1979, I mean. This forced the board either to put a fee on the students or to shut down the courses. Does the minister's announcement mean that in 1980 they will lose only \$800,000?

Hon. Miss Stephenson: The allotment which is granted to each school board will cover the cost of providing the program, including that of the Metropolitan Toronto Separate School Board.

FRENCH LANGUAGE EDUCATION

Mr. G. Taylor: Mr. Speaker, to the Minister of Education: Today there appeared in front of Queen's Park some citizens from the Penetanguishene area requesting the building of a separate French-language high school in that area. What was the minister's approach to that and what was her answer to the people making that request today?

Hon. Miss Stephenson: Mr. Speaker, in response to a letter sent by the French-Language Action Committee in January, we

suggested about two months ago that a meeting be arranged between the French-Language Action Committee and the school board. Such a meeting was held and although it was felt after that meeting there was a majority of both groups in support of the decision taken, that support has since been eroded and there has been a disagreement.

There was a request to my office about two weeks ago to arrange a meeting with the French-Language Action Committee, and I felt very strongly this was a matter which had to be resolved between the two bodies involved in this problem in the Penetanguishene area. I made a strong suggestion to them that there be a meeting again with ministry participation.

That meeting has been arranged by the ministry. It will be held at 8 p.m. on Monday, June 4, in order to accommodate the concerns of some of the French-Language Action Committee's members that they could not afford to miss any time at work. We recognize that. It will be held in Barrie, on neutral ground—

Mr. Conway: What neutral ground?

Hon. Miss Stephenson: —with the executive members of the staff of the Ministry of Education serving as chairman and mediators, in order to try to resolve the difficulties which have arisen in this matter.

Mr. Roy: Supplementary: Accepting the minister's answer to my colleague's question about the meeting and the possibility of negotiating this matter at the local level, would the minister give her assurance to the people of Penetanguishene, and more specifically to those who were here protesting this morning, that if a decision is not made, if agreement is not reached at the local level, they will not find themselves in a situation which unfortunately has happened in other areas of the province, where they have had to wait, five, six and seven years for a decision to be made and for their school to be built?

Hon. Miss Stephenson: I'm sure the honourable member recognizes that one who is going to act as a mediator does not in fact impose preconditions to the potential results of the mediated exercise. I have assured the people of Penetanguishene, particularly the French-Language Action Committee, that we are very much aware of their concern and very sympathetic to the concerns which they have expressed, but we would feel very strongly that this matter should be resolved at the local level and we will do everything we can to help that happen.

[3:30]

Mr. Bounsall: Supplementary: Has the minister yet made it very clear to the board of education what the degree of capital funding will be for that school, and if it is at the 95 per cent level it might well be accepted and proceeded with quite expeditiously, the way it would have been some year and a half prior to requiring the bill to be brought in in the Essex county French school?

Hon. Miss Stephenson: We have a strong suspicion that the members of the regional board in that area are aware of the level of funding which will be available to them. I am sorry I do not have the percentage. I couldn't tell the member accurately at the moment.

AUTO REPAIRS

Mr. Bradley: I have a question of the Minister of Revenue, a question which the Minister of Consumer and Commercial Relations (Mr. Drea) will no doubt be interested in.

Is the minister aware that in the province, specifically within the automotive repair and maintenance business, and more specifically within the muffler replacement and repair business, retail sales tax is being charged not only for parts but also for labour? If the minister is aware of this would he inform the House whether or not this is contrary to regulations under legislation governing his ministry?

Hon. Mr. Maeck: The member was good enough to send me over a copy of an invoice for, I presume, the complaint that he is talking about. I don't see any labour marked on this invoice, so maybe he could give me some clarification if he is referring to this particular invoice.

Mr. Bradley: In consultation with members of the Ministry of Revenue and the Ministry of Consumer and Commercial Relations, it is substantiated that this practice is indeed allowed in the province of Ontario and that legislation does not seem to govern it, not only in this specific instance but in other instances. One would presume from this bill that the labour costs and the installation costs are within the costs shown beside the parts as well.

If the minister determines that this is indeed the case, that sales tax is being charged on labour for the installation of these parts, would he undertake to change this particular provision, either through regulation or through legislation, in order the consumers in the province can avoid paying the retail sales tax unnecessarily?

Hon. Mr. Maeck: I will certainly look into it.

MINES INSPECTION

Mr. Martel: Is the Minister of Labour aware that the Atomic Energy Control Board has a policy of notifying Eldorado Nuclear Limited of Port Hope of impending inspections? While I am aware it is not within our jurisdiction totally, would the minister be willing to advise the Atomic Energy Control Board that in Ontario the government will not tolerate the practice to continue whereby the company can clean up the conditions before the inspection occurs?

Hon. Mr. Elgie: As the member knows, that is a matter that is solely within the jurisdiction of the federal government, but I would be pleased to convey our own views on the matter.

Mr. Martel: Supplementary: Will the minister at the same time find out whether the Atomic Energy Control Board is in fact giving notice to Denison and to Rio Algoma as to impending inspections, particularly in view of the fact it is our inspectors who are under contract to do the work on behalf of the AECB, to ensure that the same thing is not occurring there and thus spoiling the benefits of an unannounced inspection?

Hon. Mr. Elgie: When I visited the Denison mine last November I did inquire into that very point and was assured by the inspector who was present, and indeed by the other members of the union I spoke to, that any notice that was given was reasonably necessary in order to get the people involved available, but there was nothing in the way of a day or two days' notice; it was a matter of hours and, where possible, the same morning. If the member wishes me to examine it in more detail and report to him, I will.

DISCOUNT PRACTICES

Mr. McGuigan: My question is to the honourable Minister of Agriculture and Food. Is the minister aware of the report in the May 8 issue of the publication Farm and Country in which the president of M. Loeb was reported as telling the inquiry into discounts and allowances that no store owner need pay the full legal minimum price for apples between September 1 and November? Has the minister referred this to the Farm Products Marketing Board, and are they investigating the allegation?

Mr. Conway: I hear he doesn't read; he is generally read to.

Hon. W. Newman: The royal commission is going on. I've said repeatedly we are monitoring the royal commission hearings and that if there was anything that broke my ministry's regulations or legislation we would look into it. Yes, I did know about that, and yet I have asked the Farm Products Marketing Board to look into it.

Mr. McGuigan: Supplementary, Mr. Speaker: Is the minister aware of a past practice in the packing industry whereby the packer gave no credit to the producer for the apples that were taken out for juice purposes? In the past these sold for about \$30 a ton and there was some justification for the packer keeping these to offset his costs in grading, but this past winter those juice apples sold for as high as \$185 per ton rather than \$30. Is the minister aware of this and is he looking into whether or not producers will be given some compensation for those apples?

Hon. W. Newman: I'm not exactly clear on the member's question so if I may take it as notice, I'll look into it. I know juice apple prices were high and I know there were certain supposedly discount practices going on, but I'd like to take the question as notice so I can get all the wording and details back to the member.

PROPERTY TAXATION

Mr. Isaacs: I'd like to ask the Minister of Intergovernmental Affairs whether he is able to make an announcement in response to the request from the city of Hamilton for funds to assist with the phasing in and the implementation of the assessment equalization program we talked about in this House last on April 27? Can the minister explain why it's taken so long to come to a decision on that matter?

Hon. Mr. Wells: It took a while because we seriously considered all the ramifications. It's a program which has some ramifications and some large money figures attached to it.

I talked to the mayor of Hamilton today and I told him I was very much in favour of a phasing-in program for those whose taxes will go up because of a section 86 reassessment. I said I certainly hoped Hamilton would implement some kind of phasing-in program but that I was sorry the province couldn't provide any financial assistance for that program. I didn't believe provincial money should be used for that.

There are two ways the city can provide for this phase-in program. One is to provide for those whose assessments will go down to phase in the reductions over a period of three, four or five years, whichever the city wishes. Or they can let those assessments go down fully in one year and phase in those whose assessments and taxes would go up by putting the costs on the mill rate. I think that's a fair way.

I also indicated we would bring in an amendment to section 505 of the act within the next week to allow for much more flexibility on the part of a city like Hamilton to devise a phasing-in program. We're presently drafting that amendment. We're going to work with the treasurer of Hamilton to make sure it does take into account the kind of things they might want, and it will no longer require the approval of the minister to effect that phase-in program.

I was very impressed with one of the other members from Hamilton who thought the taxpayers of Ontario shouldn't help the people in Hamilton with the program. He thought the phasing in should occur but it should be handled by Hamilton.

Mr. Cunningham: I'd like to ask if the minister is aware that some of the increases are going to be in the area of 500 per cent, both in the commercial sector and in the residential sector. Notwithstanding the phasing-in proposition, does he feel that is fair?

Hon. Mr. Wells: Mr. Speaker, I do not know that it is for me to decide whether it's fair or not fair. The facts of the matter are that the city of Hamilton, by resolution, asked for a section 86 reassessment. It was explained to them what this meant. It means there are winners and losers. Well over 55 per cent of the people who had their assessment changed had their assessment dropped. Almost 45 per cent, I guess, had an increase in their assessment. A lot of those increases were minimal. There are some very outstanding cases where the assessments of businesses and some homes have gone up. I think the city of Hamilton should take care of that in some manner, and the amendments to 505 will allow them to do that.

Mr. Swart: A supplementary question, Mr. Speaker: Might I ask the minister if he has any plans for revisions in the assessment program other than section 86 of the act?

Hon. Mr. Wells: Mr. Speaker, I am not responsible for the assessment program. As the honourable member knows, the assessment program, section 86 reassessments and so on, are taken care of by the Ministry of Revenue; he would have to ask the minister

responsible for the act if he has any amendments to the Assessment Act in mind.

What I would say to the honourable member is that section 86, the new equalization factors that will be announced, other things that the Treasurer will announce, programs that we all announce and measures that the Minister of Revenue will announce over the next year or year and a half, all will bring about property tax reform and added impetus in this province—

Mr. Conway: Darcy McKeough will be in an old age home before you get to that.

Hon. Mr. Wells: No, it will all happen in an ordered, equitable way that will be acceptable to the members opposite and to us.

BARRIE JAIL

Mr. G. Taylor: Mr. Speaker, in the absence of the Minister of Correctional Services (Mr. Walker) I address this question to either the Premier or the Solicitor General (Mr. McMurtry).

In view of the fact that statements have been made before a grievance committee hearing into the suspension and dismissal of a guard at the Barrie Jail, is anything going to be done concerning the inmates and their safety, considering that the statements have been to the effect that the jail is a fire trap?

Hon. Mr. Davis: Mr. Speaker, I am not sure whether the honourable member was anxious for me to answer this, or the Solicitor General. In fact, we both might take a crack at answering it. I thought initially that the—

Mr. T. P. Reid: We still won't get an answer.

An hon. member: Flip a coin.

An hon. member: Why don't we have a contest?

Hon. Mr. Davis: Now, listen. Mr. Speaker, I have been very quiet this question period. I have not provoked anyone, and here they are interrupting me.

Mr. Speaker: Why start now?

Hon. Mr. Davis: I am trying to think of some way to start now.

Mr. Speaker, the honourable member is quite properly concerned about the Barrie Jail, and I will certainly discuss it with the Minister of Correctional Services to see what assistance can be given to rectifying the problem.

I was a little concerned that the member was going to ask me to comment on some of the observations or the grievance procedure itself, in which case I would have said that I did not think it would be appro-

prate for me so to do. But, in terms of the jail itself, certainly I will discuss it with the minister.

Mr. Peterson: Why doesn't the Premier answer the four questions that weren't asked while he is at it?

Hon. Mr. Davis: Mr. Speaker, the member for London Centre has asked his typical question. He has asked me why I do not answer more questions like the ones he asked, which are irrelevant. My answer to that is, "Okay."

Mr. Peterson: The Premier's problem is he doesn't know when people are making fun of us.

Mr. McClellan: Order. How many rules of order are there in this House?

MOTION

SITTINGS OF HOUSE

Hon. Mr. Welch moved that the House will not sit on Monday, May 21, or Tuesday, May 22.

Motion agreed to.

Hon. Mr. Welch: The committees will meet as usual on Wednesday, May 23, and sittings in the House will resume at two o'clock on Thursday, May 24.

INTRODUCTION OF BILLS

CONVEYANCING AND LAW OF PROPERTY AMENDMENT ACT

Hon. Mr. Drea moved first reading of Bill 87, An Act to amend the Conveyancing and Law of Property Act.

Motion agreed to.

[3:45]

Hon. Mr. Drea: Section 37 of this bill was amended in 1975 to cover lessees from Ontario Housing Corporation who subsequently bought their property. This is a housekeeping bill that brings about a further amendment to section 37. It takes into account the fact that Ontario Housing Corporation is transferring the home ownership part over to the Ontario Land Corporation. It also takes into account the fact that crown land in northern Ontario, once traditionally leased, is now being sold.

ONTARIO HIGHWAY TRANSPORT BOARD AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 88, An Act to amend the Ontario Highway Transport Board Act.

Motion agreed to.

Hon. Mr. Snow: These amendments reflect changes recommended as a result of an on-going internal review of the board's procedures. In effect, they are designed to clarify or improve some of the board's procedures. I think they are self-explanatory.

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 89, An Act to amend the Public Commercial Vehicles Act.

Motion agreed to.

Hon. Mr. Snow: I have no further explanation on that bill, other than the statement I made earlier today.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 90, An Act to amend the Highway Traffic Act.

Motion agreed to.

Hon. Mr. Snow: I have just introduced a bill to amend the Highway Traffic Act. There are 13 separate amendments in this bill. Some are designed to clarify existing sections of the act and others are new.

With your permission, Mr. Speaker, I would like to review briefly the highlights, particularly the exemption for emergency vehicles at red signal lights.

After much discussion and an in-depth examination of applicable legislation in other Canadian jurisdictions, it was agreed there are legitimate circumstances where emergency vehicles should be exempted from some rules of the road—when proceeding to fires, pursuing criminals, et cetera. This bill, therefore, proposes that such emergency vehicles should be given the right to proceed against a red signal light when adequate warning is being given by a continuously sounding siren and an intermittent flashing red light and the vehicle has been brought to a full stop before proceeding through the intersection.

Another amendment concerns reciprocity for bus safety inspections, exempting those vehicles that meet comparable standards for programs administered by other provinces or states, providing such jurisdictions reciprocate in a similar manner. This will allow bus operators with inspection facilities already established outside Ontario to avoid unnecessary duplication of safety inspections. Ontario companies should enjoy similar benefits, particularly those with routes to the United States.

The bill also pertains to the securing of loads for all vehicles. This amendment will extend the legislation covering the proper securing of loads, making it apply to all motor vehicles including passenger cars. This is aimed at drivers we have all seen on the highway attempting to move goods such as lumber, furniture and boats without taking proper precautions to ensure what they are carrying is properly tied and secured to the car.

The bill also proposed to more clearly define "a driver" to include a person who drives any type of vehicle, not just a motor vehicle. This would underline the fact that the rules of the road contained in the Highway Traffic Act apply to bicyclists, for example, as well as motorists.

As I mentioned, this bill contains several clarification amendments such as a new definition of "road-building machine." A further amendment will permit school bus operators to use their own log books to provide data required by the ministry.

Another amendment changes the words "produce a driver's licence" to "surrender a driver's licence" to remedy situations where a motorist has kept possession of his licence without giving the investigating police officer time to record necessary information. With this amendment every driver will now have to actually give his or her licence to the investigating officer when asked.

Also contained in this bill is an amendment concerning axle-unit weight and axle-group weight. When a vehicle's weight exceeds the allowable weight the driver may be required by the inspecting officer to remove the additional weight. In many circumstances all that may be required is that the load may be redistributed to comply with existing axle-weight standards.

In another amendment we are introducing the use of portable lane-control devices, units displaying red, green or amber traffic signals controlled by radio. These will be used mainly to alternate the streams of traffic when a two-lane highway is restricted to one lane. These units will be in operation mainly at road construction or repair sites, and these portable traffic signals must be obeyed just as permanently-installed signals are.

Finally, the Highway Traffic Act would be amended by a section stipulating that no person shall deposit snow or ice on a roadway without permission in writing to do so from my ministry or the road authority responsible for the maintenance of the road. This would eliminate the common practice where snow ploughs or snow removal devices

dump snow from driveways and parking lots directly onto an adjacent roadway. That is presenting a potential danger to passing motorists. We realize such a bylaw now exists in some communities but this amendment would make for uniform coverage to include rural as well as municipal roads.

In addition I also intend, on second reading of the bill or in committee stage, to introduce an amendment to section 120 of the act to reflect the resolution of the member for Wellington-Dufferin-Peel (Mr. J. Johnson) regarding the use of flashing warning lights when transporting the mentally retarded on school buses. This resolution was debated in the House a few days ago.

I have touched briefly upon the proposed amendments contained in the bill which I have introduced and which is described in the accompanying compendium.

CITY OF TORONTO ACT

Ms. Bryden, on behalf of Mr. Renwick, moved first reading of Bill Pr5, An Act respecting the City of Toronto.

Motion agreed to.

HALDIMAND BOARD OF EDUCATION AND TEACHERS' DISPUTE ACT

Mr. G. I. Miller moved first reading of Bill 91, An Act respecting the Haldimand Board of Education and Teachers' Dispute.

Motion agreed to.

Mr. G. I. Miller: The purpose of this bill is to resolve the dispute between the Haldimand Board of Education and the secondary school teachers who are employees of the board. The bill orders an end to the strike that commenced March 29, 1979, and establishes a final offer selection procedure as a means of settling the matters in dispute between the parties.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, I wish to table the answer to question 114 standing on the Notice Paper. (See appendix, page 1968.)

ORDERS OF THE DAY

HURONIA DISTRICT HOSPITAL ACT

Mr. G. Taylor, on behalf of Mr. G. E. Smith, moved second reading of Bill Pr4, An Act respecting the Financing of the Huronia District Hospital.

Motion agreed to.

Third reading also agreed to on motion.

VILLAGE OF COOKSTOWN ACT

Mr. G. Taylor moved second reading of Bill Pr6, An Act respecting the Village of Cookstown.

Motion agreed to.

Third reading also agreed to on motion.

ENVIRONMENTAL PROTECTION AMENDMENT ACT

Hon. Mr. Parrott moved second reading of Bill 24, An Act to amend the Environmental Protection Act, 1971.

Mr. Speaker: Does the honourable minister have an opening comment?

Hon. Mr. Parrott: No, I don't, Mr. Speaker.

Mr. Gaunt: I want to make a few comments with respect to what I consider to be major environmental legislation. I certainly welcome this bill. I think the opposition parties in this House can take a great deal of credit for this legislation. It was only because of opposition questioning and opposition badgering, in some cases, of the ministry—

Mr. Nixon: I never badgered; it was the member for Huron-Bruce.

Mr. Gaunt: —that we got this bill in its present form. To be fair, I think the minister has taken a great deal of interest in this problem. He has undertaken a new thrust within the ministry for which I congratulate him. But, I point out that there are questions on Port Loring and Dowling. I suggest the whole matter of the liquid industrial waste hearings have certainly pushed the minister—

Mr. Nixon: Brought him to his knees.

Mr. Gaunt: —into areas of good environmental legislation, of which this piece is one.

Having said that, I think the minister can determine that we welcome and endorse the main thrust of this particular bill, and even, for the most part, specific provisions within the bill. There are some concerns, but I want to come to those later on. I don't want to take a lot of time, but I think I should review some of the provisions of the bill with which we agree. One of those provisions is a rather contentious provision and I want to deal with that in a moment.

[4:00]

I think the provisions having to do with requiring persons responsible for a spill to immediately notify the minister, the municipality or the regional municipality, the owner and person in control that a spill has occurred, the circumstances surrounding the

spill and the action the person intends to take or has taken is a laudable requirement.

The bill imposes clear responsibility for control, cleanup and restoration of the natural environment on owners and persons in control of pollutants, and this includes those who may not necessarily be the owners but are in the business of manufacturing, transporting, storing and marketing pollutants. We certainly agree with that.

The bill broadens the power of the minister to order the owner or person in control to clean up and restore the natural environment and, where necessary, the bill authorizes the minister to order persons other than the owner or person in control to clean up and restore the natural environment.

The bill enables the minister to take immediate action to ensure cleanup and restoration of an area and to pursue the question of liability for costs of cleanup and damages later. That is certainly supportable from our point of view.

This is the contentious one, or perhaps the most contentious part as far as we are concerned: The bill establishes the absolute liability of the owner or person in control for damages resulting from a spill and the costs entailed in cleaning up and restoring the environment. In our view this is very important in ensuring that the burden of a loss does not fall on the victim of pollution or on the public purse and adheres to the principle that the polluter pays. Regardless of whether the spill resulted from no fault of the owner or person having control, the risk of spills is inherent in their business and they should be responsible as a reasonable part of their business for the costs of control, cleanup, restoration and damages resulting from spills.

I said this was contentious and it is contentious from the point of view of transporters, of manufacturers of chemicals, from the point of view of the Canadian Manufacturers' Association. To be fair, I think there are some of them who can see the advantage of this kind of legislation, but at the same time of course it could very well put heavy additional financial requirements on some of those companies.

None the less, environmental groups and those who are concerned in this particular area have strongly supported this particular clause of the bill, and I do and my party does as well. I think it is legislation which is absolutely necessary in this day and age and I want to make it clear to the minister that we support this provision.

I acknowledge some of the concerns which have been expressed to me privately and

publicly, but none the less, on balance I see no other way to go in this area. I think the absolute liability embodied in Bill 24 on the positive side should give industry the incentive to take precautions against many of the unforeseeable risks.

To transport hazardous wastes, the nuclear industry, for example, uses trucks whose tanks will withstand a 100-mile-an-hour collision. I think it is possible in this day and age, although it will obviously incur some costs on the part of the owners or the transporters of such pollutants, to technologically develop some systems and some equipment that will lower the risk of transporting some of these very hazardous and dangerous materials.

I think that because of this industry will have a much greater incentive to prevent some of the spills which have occurred.

As I understand it, there were slightly over 1,000 spills in Ontario last year. I guess that averages out. It runs around 1,000 spills per year in Ontario, many of which are preventable. I suggest to you, Mr. Speaker, industry will certainly have a lot more incentive to improve their technology which, in effect, will prevent a good many of these spills. I repeat again, we are in support of the provision of absolute liability.

Further, the bill authorizes control and cleanup of spills and restoration of the natural environment by designated persons and municipalities and provides them with the right to recover their reasonable expenses from the owner or person in control.

The bill gives persons who are authorized, or ordered to do cleanup, the right to enter on private land for the purposes of cleanup. The bill enables a person other than those responsible for the spill, who have been ordered to clean up a spill, to recover his reasonable expenses from the ministry.

I think those are most of the main provisions of the bill. Those are provisions with which we agree.

In respect to some of the flaws in the bill, there are several points I would like to mention.

In terms of the industry itself, insurance is available. I'm assured insurance is available to companies to cover them under the terms of this absolute liability requirement. I believe insurance is available to a maximum of \$20 million for an aggregate number of spills in the province per year with a maximum of \$10 million per spill for any one year.

I think a Swiss company offers that kind of insurance. I believe they have an office here in the city of Toronto. Presumably most of the companies would take on that kind of

insurance since it would be in their best interests to do so. It would offer them the kind of insurance protection which I presume most will feel they should have.

There is one matter that was raised with me and that was the fact that in the chemical industry particularly there are a lot of smaller producers which, perhaps, could not afford this kind of insurance at the rates at which it's provided. I don't know whether that's the case or not. All I can say to the minister is if that is the case, perhaps industry should be encouraged to set up a fund of its own, a fund which would allow all companies to contribute, perhaps, a half a cent per gallon for insurance coverage which wouldn't be sought by some of the smaller companies. Those companies could then be secured, or at least protected, and could draw from this fund should the need arise.

The minister should certainly promote the setting up of such a fund to allow these smaller companies some protection in the event they really don't feel they can afford the normal insurance coverage but might, for one reason or the other, incur a fairly large liability bill in the event of a spill.

Another problem I would draw to the minister's attention is the matter of the two-year limitation. Previously it was six years. A six-year period is really a normal limitation period from the date the cause of action arose. I think two years is rather limited and too short. In many of these cases—and I cite Port Loring as one—the effects of that pollution do not become apparent to their fullest extent within a two-year period. The pollution of the wells in those areas did not become apparent until after a two-year period.

I suggest to the minister that a two-year period is too limiting and too restrictive. I think that particular limitation period should be extended beyond the two years it currently is in the bill.

The other point on which I want to make some comments is the matter of payment or liability as the direct result of a spill. That has caused some concern. It is a new wording from Bill 209. Some concern has been expressed to the extent one would have to prove causation. Sometimes that is very difficult to prove and sometimes it is even insurmountable. Under those conditions, the public would therefore fail to obtain compensation.

It has been suggested that the section be broadened to include both direct and indirect damage. I don't know whether the minister would feel comfortable with that or not, but

I suggest it is worth looking at and worth considering. If the minister views the pros and cons of inserting indirect damage as well as direct damage, hopefully he will come to the conclusion that both direct and indirect damage should be included under the terms of the bill.

Another point which is perhaps not a big point, although it could be, has to do with the proclamation of the bill. As we know, some bills around here receive royal assent but aren't proclaimed for months, and in some cases years, after the bill has been passed in the Legislature. The minister should give some consideration to changing the bill and making it effective on royal assent, rather than on proclamation.

I can understand there may be some aspects of the bill which the minister may not have in place on royal assent. My fear is of a very powerful lobby moving in on the minister's office after royal assent or after committee hearings, which I presume will take place in the weeks ahead. Whether that happens before the summer break or not, if not completed before the summer break, presumably it will extend over the summer break period to be completed by the fall. If the bill becomes law on royal assent, I think it foregoes any possibility that the ministry could stall in the event of a very powerful lobby.

What I am saying to the minister is that this is good legislation. We want to get it into place as quickly as we can and we don't want to be sitting here one year hence saying, "Why haven't you proclaimed Bill 24?"

[4:15]

There is some concern that the minister's power under the terms of this bill, in section 3(e) amending section 94 of the act is very broad. In this section, the minister has the power to exempt any spill or any class of spill. I think that's very broad power and it does alarm some people who feel that exemption power could be and may be misused in the years ahead.

I don't think it's necessary under the terms of this bill to have that broad, wide-ranging power of exemption. If the minister wants a power given to him under the terms of this bill to exempt a specific class where he considers there may be a problem, then I think it should be spelled out in much clearer terms than it is. All I'm saying is that the power for broad exemption is there and that's worrisome.

My final point—and we'll be dealing with this undoubtedly in clause-by-clause—is that the definition of "pollutant" is seen

to be "a contaminant other than heat, sound, vibration, or radiation." I can see the definition could extend to the first three, but I'm wondering about radiation. Is that an appropriate inclusion there or should it be excluded from the pollutant definition? I pose that question to the minister. It did raise some flags as far as I was concerned.

We've been listening to the effects of radiation from our nuclear plants and from X-ray machines and it's consumed a lot of time in this House and in committee. It's becoming a greater and greater problem in our society. Perhaps the minister would like to comment on it.

In short, we support the legislation; we think it will make Ontario a safe place in which to live, and in general terms I think it will enhance environmental quality in this province. For those reasons we will support it.

Ms. Bryden: Mr. Speaker, this is very important legislation and I'm a little surprised the minister did not have a fuller statement on second reading than he gave on first reading, in order to establish clearly what are the principles of this rather ground-breaking kind of legislation.

This bill is an attempt to answer the problems created by a series of environmental incidents over the years—spills of oils and other hazardous substances, contamination of water, air and soil, and so on. These were incidents which have caused serious injury to people or communities in this province and where it was found difficult to establish liability or obtain any justice for the victims under existing legislation and common law.

As the previous speaker mentioned, it also provides for a no-fault obligation, which is a fairly new concept in liability legislation. It imposes this on both the person who owns the pollutant and the person in control. It imposes on them also a liability not only to clean up but to rehabilitate the affected area and to compensate the victims. In addition, it allows the ministry and the municipality or persons designated by the ministry in the regulations to undertake the cleanup and restoration of the natural environment on their own, in the event that the polluter fails to act or cannot be identified.

This is all, as I say, ground-breaking legislation and I commend the minister for having the courage to bring it in. It is long overdue. We have been waiting eight years, since the Environmental Protection Act was passed in 1971, to get legislation

that would really make the polluter pay. I think it has taken a long time to convince the government the polluter has not been paying, that he has been shifting the costs to the victims of pollution or to the public bodies which are left to clean up the mess afterwards.

I hope the minister will not water this legislation down and that it will also be an indication we can expect other legislative improvements from him in other areas of our environmental legislation, such as provisions for class actions on a more adequate basis.

While the legislation is good, it is not without its weaknesses, as the member for Huron-Bruce has pointed out, in some areas. We hope to correct those weaknesses in the committee stage but in the meantime, with that hope, we intend to support the principle of the legislation on second reading.

The need for this kind of legislation has become more and more evident. The growing use of chemicals and petroleum products, many of them highly toxic, imposes a liability on the users of those substances and products to see that they do not adversely affect either the health of people or the environment in which we live.

As the member for Huron-Bruce said, there are about 1,000 spills annually. Many of those, in my opinion, are preventable if there was sufficient incentive for the polluter to see they were prevented, and to redesign his equipment so his transportation equipment is virtually fail-safe and leak-proof and as close to being unbreakable as possible. The other equipment could also be designed to ensure leakages in the environment or spills of any kind would not occur.

We have only to look at the many cases which I think, we, in the opposition, have brought to the minister's attention where the legislation failed to provide either adequate cleanup or adequate compensation to the victims, in order to realize how important it is to pass this kind of legislation and to make sure it is not watered down.

We think of the attempt to get at Dow Chemical of Canada Limited through the law courts and the absolutely pitiful amount of compensation obtained for the fishermen whose livelihoods were destroyed by the company's discharge of mercury into the St. Clair River. We have to look at the Dowling case up near Sudbury where a PCB spill has not yet been cleaned up six years after the event. We do not know the effect of those PCBs on the soil there, still contaminated with PCBs.

Just this year, we read about a spill of 8,000 gallons of gasoline in North York. Five thousand people had to be evacuated. Think of the inconvenience to those 5,000 people, not to mention the fear of what might happen if they had stayed.

We read about the family whose home was completely impermeated with odour from a fuel oil discharge; the family lives in High Park in Toronto. A fuel oil delivery truck backed into a garage and a fence behind them, and for months they have been living with an incredible odour which has completely disrupted the living conditions in their home.

I would just like to read you one or two comments from the people concerned. Mrs. Wegierski, who is one of the persons affected, said, "We've been living in the agony of offensive odours and suffered the inconveniences of a damaged home," Mrs. Wegierski said at breakfast Tuesday, breaking into tears. She also said, "The oil spill has not only ruined our home, but seriously disrupted our routine and affected our health and stability."

They were unable to keep anything in their basement after the spill, because it all got contaminated by the terrible odour. Her husband used to do sculpturing down there, and they kept fruits and vegetables, as most people do, and she did some of her teacher preparation work down there. That was all completely eliminated. They still have not got compensation because it is going through various insurance claims and the actual spill, or the removal of the odour, has not been cleaned up yet. They even suffered from the problem of the insurance adjuster going on a holiday, which delayed further action on the claim.

This sort of suffering and injury to individuals cannot be tolerated in our society, and the experience in these kinds of cases, including the Port Loring case that the member for Huron-Bruce mentioned, has indicated that the present law, the Environmental Protection Act and the common law are inadequate to deal with this kind of environmental disaster.

The Port Loring situation, for those who don't recall the details, is that for three years the water supply in the wells of the people in this area was contaminated with gasoline from a Gulf station, but the liability of the Gulf station was difficult to establish because they only leased the property on which the station was located. So for three years, people had to bring in water from elsewhere, and no one paid them for that, in addition to

which, no one compensated them for the disadvantage of having a polluted water supply.

The important thing in this legislation is that it establishes a new concept of liability, to be placed on the user of our dangerous chemicals and other substances, and I think the 1976 legal decision in the case of Regina versus Power Tank-Lines underlines the court's concept of that liability, a concept which I think should be accepted today, which is, that the users of these substances have an obligation to see that risks are minimized. If there are any accidents, regardless of the establishment of direct fault, those users are to be responsible for compensating the victims and for the cleanup and for restoration of the environment.

As the learned judge in the court case commented, you need prompt action in a situation of this sort, and if there are inhibitions about who is responsible and who is liable, you will not get prompt action. Therefore, you do not get adequate remedial action or compensation for the victims. Also, the industries using these products are the ones with the capability not only to prevent the spills but also to clean up after them.

[4:30]

The member for Huron-Bruce discussed the question of whether their liability should be covered by insurance, by a public fund or by a fund set up by the various industries. There are arguments in favour of each of these routes. I understand that the costs for the largest spill in this area affecting the St. Lawrence River were \$9 million in recent years. That was a spill on the other side of the international border, but it did affect our waters.

One can get insurance right now for \$10 million per spill or a total of \$20 million for all the spills in one year. So insurance is available. I am sure that if this legislation is passed additional companies will move into the field.

The trouble with a fund is that if everybody puts in a small amount, so much per gallon, then they feel no responsibility for cutting down their own contribution to the danger of spills. There is no incentive except through the general rise and fall of the fund, but it becomes very remote and becomes really a sort of licence to pollute or licence to continue operating without looking at the risks and without trying to minimize them.

I realize there is a problem for small companies which may find some difficulty in financing insurance. They may have to group together and set up some sort of group insurance, but I think that is best done in the

private sector. It may also be that we need something like an unsatisfied judgement fund in this field, because there may be cases where people are inadequately insured and are not able to meet their obligations under this legislation.

However, I hope that we will continue to maintain the principles of the bill, that the polluter must pay, that remedial action must be prompt, that the environment must be restored as far as possible to its original condition and that there must be compensation for the victims.

Looking at the legislation more specifically, this bill in effect adds a new part to the Environmental Protection Act dealing exclusively with spills and discharges. While I think the definition of spills and discharges is fairly broad, I do join with the member for Huron-Bruce in questioning why four items are excluded: heat, noise, sound and radiation.

I hope the minister will give us his explanation as to why those items are excluded from the definition of spills and discharges. It seems to me there can be a discharge of heat from a nuclear plant into a waterway which can have a very serious environmental effect on the fish life and the whole ecology of that waterway.

I also would like to see the definition of "leak," which was added to the new version of the bill from the December version, extended to include the latent contamination that comes from leachates in waste disposal sites, landfill sites, and any sort of continuous leakage which may be going into the environment and which may have a latent contamination rather than a sudden or abnormal spill. I think such leakages are abnormal, which is the word used in the act for classifying what spills are covered, because they shouldn't be coming out of any landfill sites and getting into any land or waterways.

The coverage of the bill is basically the same coverage as was in the Environmental Protection Act in the section on notification. There are six clauses there as to the kinds of spills and incidents where notification must be given and as to what kinds of adverse effects are to be covered by the legislation. Just to run through them, they involve impairment of the quality of the natural environment; injury or damage to property, plant or animal life; harm or material discomfort to any person; adversely affect the health of any person; impairment of the safety of any person; and the rendering of any property or plant or animal life unfit for use by man.

Those clauses are taken out of the present Environmental Protection Act, section 15, and re-enacted in this new part. I am glad they are retained. I am also glad the minister has added two new subclauses for notification of the effects of polluting the environment, which must be reported; they are, "loss of enjoyment of normal use of property" and "interference with normal conduct of business." I commend the minister for adding those two clauses to the Environmental Protection Act under this amendment.

Looking at the compensation section of the bill, I have some questions about the coverage. I share the concern of the member for Huron-Bruce about the insertion of the word "direct" into the phrase that it should cover loss or damage directly caused by the pollutant. The member for Huron-Bruce suggested we should add the words "direct or indirect." I would suggest we might just strike out the word "direct" and go back to the original version, so that the clause would then read "loss or damage caused by the pollutant."

On the compensation question, under the act it covers "loss of life, personal injury and pecuniary loss." I hope the minister will spell out to us what he means by "pecuniary loss." Does it cover, for example, loss of wages, inconvenience from evacuation or from situations such as experienced by the High Park family who lost the use of a large part of their home? Does it cover the provision of alternative services, such as the water supply for the Port Loring people? I think what is covered by pecuniary loss should perhaps be spelled out in greater detail. That would save considerable litigation perhaps by people making claims under the act.

Looking at the restoration section of the bill, the obligation is placed on the polluter to restore the natural environment. It doesn't say restore to what level. I think we should have a clause added saying something like "restore as close to its original condition as possible." At least we would like the minister to clarify what he means by restoration and rehabilitation of the natural environment. I think it is going to be very difficult in the Dowling case, as my colleague from Nickel Belt (Mr. Laughren) may tell us later, to restore that area to its original condition.

With regard to the cleanup actions which may be taken by the ministry or by municipalities or persons designated by the ministry, I would like to ask the minister why he dropped out of Bill 24 the provision that was in Bill 209 last December, under which he could order other ministries and disposal

site operators to take remedial action over and above what they themselves were responsible for as direct polluters if they became so involved. Does he still have power under the act to order disposal site operators in particular to clean up in the case of any spills or leachates coming out? I am referring to the operators of both publicly operated and privately operated disposal sites.

As I mentioned, while we support the principle of the bill, we would like to see some of the clauses changed. We will certainly join with the other opposition party to restore the time limit to the six years that was in the original bill tabled last December. I understand six years is the common limitation period for most liability legislation.

I think the six years should extend from the date that the claimant knows, or ought to know, about the loss or damage which he has incurred or which he thinks he has incurred. It seems to me that there will be many cases where people will not be aware of their rights or of their losses soon enough to get their action going within the two years, and it seems unduly restrictive to cut the six years down to two.

On the regulations section, we certainly feel it is much too broad and that it reflects the trend of this government to try to bring in window-dressing regulation and then take it all out by the back door with exemptions which virtually make the legislation a nullity. We hope that will not happen in this legislation, but we would prefer if safeguards were put in the legislation to prevent that happening.

The first safeguard should be that any exemptions that are to be brought in should be notified to the Legislature and to the public so they can be aware of what is contemplated and have an opportunity to register objections. The minister should indicate to us before the legislation is passed what he has in mind for exemptions. Is he planning to exempt individual spills or only classes of spills—I would hope it would be the latter—if he does have an exemption power?

[4:45]

Also, with regard to regulations, I would commend to the minister a practice that is being increasingly adopted by the federal government and by United States agencies of prepublication of environmental regulations. This is such a sensitive area, and it affects the public so widely, that it is very advisable to have an opportunity for the public, as well as the companies affected—for all parties—to look at the regulations ahead of

time and to have an opportunity to put in briefs, comments and so on about them before they are actually passed and gazetted.

We have a concern that has not yet been mentioned about the question of farm wastes and whether they will be covered by the act. The repeal of section 15 of the Environmental Protection Act, which is the notification section, also repeals a section of that act which exempted the disposal of animal wastes in accordance with normal farming practices from the notification requirements under the Environmental Protection Act.

In the re-enacting of section 15 in this new part, there is no reference to any exemption for farm wastes. I think that is something that should be considered, because if it was considered important under the previous legislation to exempt the disposal of animal wastes in accordance with normal farming practices, then it is still worth looking at the validity of that exemption.

I would like the minister to indicate whether he thinks he has power under his exemption powers in the act to exempt farm wastes and, if so, does he intend to exempt them? We think they probably should be exempt if they are disposed of in accordance with normal farming practices.

Those are the main points we would like to have the minister comment on or to see changed in committee, and we will be introducing some amendments to bring in those changes for the House to consider.

I would like to stress that this legislation does provide a very strong incentive for firms to prevent spills and to see that our environment is protected, and that is what we need. They will change their handling procedures, they will change their employee training, they will change the promptness with which they act and they will redesign their equipment if the onus is placed squarely on them to assume a liability for any environmental incident that happens.

The other thing that we are very pleased to have in the bill is the opportunity for the ministry to act promptly in the case of any environmental accident and to collect afterwards. We still believe in the principle that the polluter must pay, but we do not think the victim should have to wait, and we do not think the situation should be allowed to deteriorate to the extent where the environment is actually destroyed or the cost of cleanup becomes multiplied 100 times by delays. We would also point out that delays in compensation are really justice denied. Justice delayed is justice denied, so that is something that must be speeded up as well.

We hope the minister will continue to support the principles of this bill, and it is an indication we have a Minister of the Environment who really intends to change the legislation and make it effective.

Mr. Haggerty: I rise to speak on Bill 24, An Act to amend the Environmental Protection Act. Like my colleague from Huron-Bruce, I do agree with it in principle and support it.

I have some concerns about some of the interpretations of the bill. I am looking at the explanatory notes where it says: "The act also authorizes a municipality to take action for prevention, cleanup and restoration and to obtain compensation."

That puts quite an onus onto a municipality. The reason I bring that to the minister's attention as it relates to section 16 of the bill is that I think there is a lesson to be learned from the difficulties that have arisen in the United States. I refer particularly to New York state around the Niagara area, and the Love Canal incident. All these sites were originally approved by the federal environmental authorities and by the state. I'm thinking of the seriousness of the incident involving hazardous wastes which surfaced recently, causing problems to the health and welfare of the residents.

This bill will put the onus on the municipality the same as it has done on the American side. There the public—concerned citizens—are now taking civil action against the local municipalities. The blame is put on the municipalities, although they did not originally approve these sites. In a sense, many approvals were given behind closed doors by upper governmental authorities.

I would suggest this bill will mean the minister perhaps is going to saddle the municipality with tremendous legal costs in cleaning up waste disposal areas we may not be aware of here. There have been reports there are in Ontario certain disposal sites that receive large quantities of hazardous waste—those creating the radiation in Port Hope, for example. There are other sites that have not received such large quantities of hazardous materials and perhaps the problem there is not as serious as at some disposal sites.

The Environment Canada Report completed in 1974 indicated Fort Erie was considered a hazardous municipal disposal site. Until this day those people are sitting on edge. They don't know what the minister means by "hazardous," or what materials are in there. Apparently investigations have been carried out and we still don't know

what hazardous materials have been dumped in that site, or what effect they will have in 10 or 15 years or perhaps in a much shorter time than that. The bill definitely indicates the minister is putting the onus on the municipality and the legal costs today, if I can relate it to the American side, are going to be very high. Compensation is talked about in here. Sure the municipality may be compensated for cleanup work, but there is going to be a legal cost involved. I can relate it to the cost of the Dow Chemical lawsuit the province was involved in—the heavy cost of legal fees for that alone. This can come about through the municipality taking action to have the matter cleaned up.

I can think of another instance close by; that is, the acid spill in 1972 in the town of Pelham. That was seven years ago now and it's still not settled. People have not been compensated for the damage to private land. The municipalities were compensated for the damage to roads, but the private land owners have never had a settlement. They're dealing with a railroad. I think it is the TH and B Railway. There's a question of which is responsible, the railroad or the firm that manufactured the tank car.

I suggest to the minister that on this particular area relating to moving hazardous material on railroads his staff should be looking at some of the obsolete railroad beds in Ontario. I think again of a particular railroad, Penn Central. It may belong to Amtrak now. It runs from Fort Erie to the other side of Welland into Wainfleet township. They have a speed control order on that particular railbed. I think it's down to about 20 miles per hour. That bed isn't safe enough even to carry passengers. There's some concern about freight that may be carried there. One sees a number of tank cars being carried over that railroad track. I suggest that that's an area the minister should be looking at.

My colleague from Niagara Falls (Mr. Kerrio) has brought to the minister's attention the situation where American railroads are using railroads from Fort Erie to Windsor that are owned across the border from Niagara Falls. There have been some areas where they have not maintained the roadbeds to sufficient safety standards. I suggest that the minister should be looking at that particular area.

I'm rather disappointed about section 2(f) of the bill on spills where it says: "pollutant means a contaminant other than heat, sound, vibration or radiation." My colleague from Huron-Bruce brought to the

minister's attention the carrying of nuclear waste from Pickering to Douglas Point by road transport. That is used for spent fuel storage at Douglas Point. Spent fuel is one of the most deadly toxic chemicals on earth. I've questioned it during the MTC estimates and I find that they're not well informed on what material is being carried. The government has taken a short-term measure here for storage of radioactive waste. They have not come to some conclusion on long-term storage yet.

Hon. Mr. Parrott: We don't license it in Ontario. You should know that.

Mr. Haggerty: That's no excuse whether you license it or not.

Hon. Mr. Parrott: It's a good reason.

Mr. Haggerty: It is hazardous material and somebody has to show some responsibility in this area. I'm sure the minister will show responsibility in that area. The fuel has been used by Ontario Hydro, which is an arm of the government of Ontario. I suggest to the minister we should be moving in the direction of long-term storage. Don't leave it to Atomic Energy of Canada Limited.

Hon. Mr. Parrott: Can't you trust your government?

Mr. Haggerty: It's a crown agency like Ontario Hydro. It is up to the elected representatives to be the watchdogs in this particular area because it's a dangerous area.

I suggest that short-term measures are not good enough. The minister and his ministry will have to be involved in it. I suggest that the minister should be looking at this particular area. We're looking for long-term solutions. It's his responsibility, just like setting out these hydro sites right now. Somebody is going to have to take some responsibility.

When I look at the section on exemptions, that bothers me to some extent. I've seen the minister bring in control orders for certain industries in Ontario. They may not meet certain requirements, but he removes the control orders without even having a public hearing. I suggest, when the minister gives exemptions like this that relate to hazardous material or whatever, it allows them to pollute.

Hon. Mr. Parrott: You are nine months out of date on that one.

[5:00]

Mr. Haggerty: I may be, but for example, the minister, I might say, has exempted Inco. He removed part of that control order to allow them to pollute the atmosphere. Of course, as they are shut down now. I don't

know what the studies would indicate for the Sudbury basin's air quality. It would be interesting for his ministry to give us that up-to-date information on the Sudbury basin so we could see how clean the air is there now.

As I said, I am concerned about the exemptions because they could undermine the whole principle of the bill. I hope the minister is going to give some serious consideration to the exemptions he may want to bring about.

It has been suggested I think by previous speakers that there should be something in the bill that can go back to some of these older sites that have been used for liquid waste disposal in Ontario, so whoever dumped or permitted dumping will be responsible for this particular contamination of the air, water and soil in this area. Perhaps it's something that was permitted 10 or 15 years ago, but I think somebody has the responsibility in this area.

In the matter of compensation, I would like to see something in the bill that gives the individual person who has his land or property damaged by a hazardous spill some right to legal assistance. For example, there is a Compensation for Victims of Crime Act which provides compensation to a person, who through some unnecessary action by some individual, has been injured. There's no doubt about it, it's an area at which we could look. When I look at the property owners in the town of Pelham who have had to go out and hire lawyers to fight their battle in the courts, I feel there must be some financial assistance or funds available to permit them to take legal action against the person who was found responsible for an acid spill or a chemical spill or hazardous waste spill, or whatever we want to call it. I suggest there should be some type of fund. I think my colleague from Huron-Bruce mentioned there should be a charge to the industry in this particular area.

I hope the minister is going to have a regulation in the bill that trucking firms carrying waste for disposal must be bonded. I was listening to the Minister of Transportation and Communications (Mr. Snow) this afternoon, and he indicated they are moving in the area of deregulation. He was putting the onus on the person running the tractor vehicle, not on the person who owns the trailer.

I suggest there should be some measures to protect the public in a sense to solve the legal question of who is responsible for a truck towing a trailer and whether the broker is responsible for part of the acid spill or the industrial waste spill or hazardous

waste spill. I suggest there's an area at which we should be looking. The minister had better talk to his colleague, the Minister of Transportation and Communications, because this may put the onus on the person owning the vehicle, not on the person owning the tractor.

I think the bill is an improvement over the other bill. I support it in principle but these are some of my concerns and perhaps the minister will take a look at them.

Mr. Laughren: As others have done, I rise to support the principle of this bill. As I understand the bill, there are basically four principles, namely: the polluter must pay; there must be prompt action taken when there is a spill; there must be restoration of the environment; and, finally, there must be compensation for the victim. Those are what I understand the principles of this bill to be, and one would be foolhardy to disagree with them.

What bothers me a great deal is that the minister's actions do not match his words. The minister did not have to bring in this bill to have had these principles run throughout the actions of his ministry when it had the authority to do so, and I think the minister knows full well what I am talking about.

Keeping in mind what those four principles of the bill are, I would like to relate them to an incident that happened in November 1973, when 1,000 gallons of askerol oil spilled in Dowling, not far from Sudbury. The oil was allowed to remain there and percolate through the soil.

Hon. Mr. Parrott: Mr. Speaker, I would like to comment that it was some of the oil—a very small fraction of the oil.

Mr. Laughren: Sufficient oil to be a serious problem was allowed to percolate through the soil. A number of tests were done over a period of time, and there was even some partial removal of the contaminated soil. That took us up to 1975 and 1976, and all the time the minister's predecessor and the officials of the ministry did not take any serious action. Then in June 1976, lo and behold, a ministerial order was issued against CP Rail. The ministerial order stated:

"You are hereby ordered, commencing within 25 days of the date of service of this order"—this is to CP Rail—" (1) to remove all soils contaminated with polychlorinated biphenyl material to a landfill site or facility approved for polychlorinated biphenyl disposal, or (2) to transfer all contaminated material stockpiled from the 1975 excavation program, and all such additional contaminated

material as can be excavated by providing shoring of the railway tracks, to a landfill site or facility approved for polychlorinated biphenyl disposal, and to implement a course of action suitable to the Ministry of the Environment designed to arrest the migration of polychlorinated biphenyl material from the railway right of way, along with a compatible monitoring program."

That, basically, was the content of the order issued by the ministry and signed by the northeastern region director of the Ministry of the Environment; that was on March 21, 1977.

First of all, CP appealed that order, and since that time not much has happened. CP appealed it, and the contaminated soil is still there. The order is very specific: "Remove the contaminated soil."

I know the minister will say, "One reason this bill is coming in is to allow the ministry to make sure that this is done," but some strange things have happened.

Since that time, the ratepayers of the town of Onaping Falls, in the particular community of Dowling, have formed a subcommittee consisting of three engineers, all of whom know what they are talking about. They formed a subcommittee of the ratepayers' association and they said to the minister, "You have to excavate that soil," and they documented their case extremely well.

The town council of Onaping Falls passed a motion saying: "You have to excavate this soil; it is percolating down to our water table."

The council of the regional municipality passed a motion saying that they should remove the contaminated soil.

Last, but not least, the local MPP said to the minister, "You must remove the contaminated soil."

With that kind of opposition, all of it reasonable, knowledgeable and well-intentioned, the minister still took the position that he would not remove the soil. So the ratepayers put together a very thoughtful and very reasonable brief, in which they documented their wishes, and sent it to the Minister of the Environment.

All the time the minister is saying, "No, no. We are going to have a hydrodynamic containment well. We will draw off water; we will develop a cone of depression, suck the water into that cone, pump it up and test it and see if it is contaminated with PCBs."

The ratepayers put together a good brief; sent it to the ministry and the ministry said, "We will send it to our consultants, Geocon." Geocon were the people who recom-

mended the hydrodynamic containment well. They sent it out to the same people. I don't know what they expected. Perhaps the minister, with some kind of strange logic, thought the Geocon people would contradict their first reports when they had already said they wanted to have the hydrodynamic well and that excavation wasn't the answer. The minister sent it back to the same people who made the original recommendations. That did not seem to make sense to me.

Mr. Gaunt: The mayor wasn't very happy.

Mr. Laughren: No. The mayor of Onaping Falls was rather disturbed at the minister. At least now when the minister goes into Onaping Falls he tells the mayor he is there, which is an improvement over what happened previously.

Hon. Mr. Parrott: The honourable member cannot be sure of that.

Mr. Laughren: That is right, one cannot be sure that he will always tell the mayor.

Hon. Mr. Parrott: I'm liable to pop up anywhere in this province, any time.

Mr. Laughren: If the mayor finds out, the minister is in trouble.

Anyway, Geocon submitted its report back to the ministry just in the past week or so and said: "Do you know what, Mr. Minister of the Environment? We were right in the first place. We really must build that hydrodynamic containment well, and excavation is not the answer."

I don't know, I guess nobody was terribly surprised, but I think an injustice was done to a very good subcommittee of the Dowling Ratepayers' Association, people who had put in a lot of work. The minister's people ignored the recommendations of the ratepayers' group.

What really gets me in this whole scenario is that when one goes back to March 21, 1977 the minister told Canadian Pacific: "Excavate the contaminated soil." Now, when the onus is upon his ministry to get rid of it, they do not have the same requirement for themselves. What is good enough for CP should surely be good enough for the Ministry of the Environment. But no; the minister said earlier: "CP, you must remove the soil"; now, when the onus is upon them to do it, they back off and say: "No, we are not going to remove it; it is too expensive. We are going to put in a well and get the contaminated material out that way."

That is not right, to decide it will be done in a second class way because the ministry is doing it. That is really what the minister is doing. We think he is gambling where he should not be gambling.

Look at the principle of this bill: the polluter must pay. The spill occurred because a train hit a truck at a level crossing. Two private sectors were the characters which caused the spill. One of the principles of the bill with which the minister agreed is that the polluter must pay, whoever caused the pollution.

The second principle is there must be prompt action. That spill was in November, 1973. A known carcinogen was in the soil and percolating down through to the water table. That is not prompt action.

The third principle is restoration of the environment. The contaminated soil is still there so it has not been restored to its original form.

The fourth principle: compensation for victims. There have been no known victims to this point and there won't be. Even if it was into the water table it would take a long period of time for damage to be done. But the dangers of PCBs in a water supply is well documented. I don't think the minister questions that. There is no safe level of PCB contamination, no safe level at all. The minister can say there are acceptable levels, but he surely would not disagree with me that there are no safe levels in PCBs in a water supply. In terms of compensation for the victims; if that municipality has problems in the future, there will have to be compensation. If individuals have problems in the future there could have to be compensation.

[5:15]

We have those four principles of the bill, on the first three of which the Minister of the Environment has been, quite frankly, negligent. I know this bill was not in effect, I understand that, but the minister could have proceeded with the cleanup faster than he has. The minister could have recommended that contaminated soil be now removed, using the same reasoning with which he recommended the well be used. He had a choice. He could say remove the soil or we'll put in a containment well.

There are other choices too, but basically those are two fundamental choices; and the minister chose to put in the containment well. So it doesn't make sense to say we don't have the authority to remove the soil but we have the authority to remove the contaminated material by use of a containment well. It doesn't make sense. The minister was proceeding anyway without this legislation, he was prepared to proceed, so it doesn't make sense for him to argue now he couldn't proceed because this bill was not in place.

Hon. Mr. Parrott: There is a big difference. Who pays for it? Who is responsible?

Mr. Laughren: I would ask the minister whether in a situation like this, where the principles are clearly outlined in the bill and they apply to a situation such as the PCB spill at Dowling, he now intends to extract the costs of excavation or cleanup from the people who caused the spill? When he responds perhaps he would address himself to that.

I have my suspicions about the situation in the Sudbury community; namely I suspect the Ministry of the Environment is partially responsible for the current state of contamination of the soil. I suspect that if the Minister of the Environment was to take the CPR to court to clean up, the CPR could establish that the ministry, because of the responsibilities they have, are partially responsible for the costs because they knew the spill had occurred and did not take action promptly. I would suspect this ministry would have enormous difficulty having a successful court action against the CPR. That's why I believe the ministry is not proceeding against the CPR to pay for the cleanup.

I hope the minister will respond to that in his remarks. Basically what has happened is that the matter has been allowed to drag on from 1973 to 1979, five and a half years. The contaminated soil is still there, the PCBs are still in the soil and indeed percolating their way down and spreading, always spreading yet nothing really has happened; all sorts of studies but nothing has happened. Surely the minister wouldn't defend elapse of a five and a half year period from the time of the spill to the time when any kind of solution is even attempted. That's a long time.

By attempted I don't mean a study, I mean excavation or his containment well. It hasn't started yet. They haven't begun constructing the well and they haven't begun excavating the soil. So nothing has been done as yet except some removal of the surface oil from the spill site. Surely the minister, if he is defensive about it, will not attempt to defend that kind of time lag between a spill and the cleanup process.

So while we support the principle of this bill we would feel much more comfortable about it if we felt the minister was going to be more aggressive, and if his actions in the past, when he could have taken actions, indicated he had a sense of urgency about a spill like this. There's no reason that delay should have gone from the fall of 1973 to

the spring and now into the summer of 1979; and still nothing has been done.

I would just remind the minister there are serious problems with his containment-well proposal. The Dowling ratepayers have indicated it; namely: "The ground water flow is known only in a general sense and the drawdown is based on purely theoretical data. In order to achieve the drawdown of five feet it may require a much higher rate of pumping than 50 gallons a minute. Even at 25 gallons per minute the total quantity of water will exceed 13 million gallons per year. It is reasonable to assume that all this water will have to be treated.

"3. The pumping would have to go on indefinitely, bringing the costs sky high.

"4. The method is subject to failure, as pointed out in the report by the following statements on page 25:

"This alternative represents a positive approach provided that pump water from the well does not have a sustained PCB concentration of greater than three parts per billion. The length of operation is not known and could be of very long duration so that ultimately the cost could exceed that of other alternatives."

That is also in the Geocon report, as is this:

"Frequent maintenance may be required with perhaps also replacement of the well one or more times." And quoting finally from the Geocon report: "Additional remedial measures may be required in the future."

Those are some of the problems attached to the containment well, as admitted by Geocon.

I would urge the minister, even at this late date, to reconsider his decision to proceed with the hydrodynamic containment well. I think he is wrong. The ratepayers think he is wrong. The town council thinks he is wrong. The regional council thinks he is wrong. Only he and his officials think they are right, and it is based on cost reasons; that is the reason they are proceeding in the way they are. We say that is not fair. Both the Onaping and Vermilion rivers meet in that community and proceed to other communities downstream, and the whole system could be badly contaminated.

We support the principle of this bill, but I wish very much that the minister had given us assurances by his actions that he will be more aggressive when the legislation is finally in place.

Mr. B. Newman: Mr. Speaker, I would like to make a few comments on Bill 24 and to speak in relation to how the bill could affect my own community.

The minister and the members are quite aware that the major portion of the pollutants that come into the city of Windsor are primarily from across the river, from the industrial complex at Zug Island, and are of US origin. I was just wondering how this legislation would affect the citizens in my given area.

The minister is aware that at one time the electrical complex Detroit-Edison did have a serious soot fallout, and it was left entirely up to the citizens in the area to institute action against Detroit-Edison, which eventually settled out of court. But I think those citizens should have had some protection, whether it be by way of legal assistance or otherwise, not only from the government of Canada but also from the Ministry of the Environment.

I am fairly certain that the industry on the American side does not give notice to either the provincial ministry or the federal department when they have some of these problems, and we find out about them only after they actually take place. We think there should be much closer liaison between US officials and US industry and this ministry as well as the federal department.

While I am concerned about this trans-boundary pollution that we suffer from, I likewise accept that in certain border municipalities we are the ones that are responsible for the pollutants that go on to our American friends. But, speaking for the Windsor-Essex county area, it is essentially the Detroiters and the industry in and around Detroit that do contaminate our environment.

I am also wondering how this legislation will affect the boats that still ply up and down the Detroit River, those that have not been converted to oil-burning, and still seem to belch out pollution from the stacks of the vessels.

Another area that concerns me is the transportation of some of these cargoes through Ontario to disposal sites in the state of New York. I did raise the issue of hazardous cargo that I understood from the article I read in the Detroit News originated in a nuclear plant on Lake Michigan. It crossed the state of Michigan on an interstate highway and the last point where they seemed to have any information about it was the Ambassador Bridge. I think that cargo was transported across the bridge, across Ontario highways and into the state of New York.

One of the unfortunate things is when cargo goes in transit in bond I understand there are no records kept, so we don't even know. From what I understand, the truck goes right through on the American side of

the bridge. It is not inspected when it comes through customs on the Canadian side, because the cargo is in transit in bond; it goes right on to the destination where they will eventually dispose of the cargo. That vehicle could be involved in any type of accident on our Ontario highways and could leave citizens in Ontario in grave peril.

From what I understood of the incident I did relate, the cargo was contaminated hazardous waste from a nuclear plant. I also think when it comes to an incident like this, the ministry officials in my community should have some type of a lab or some method of analysing some of the wastes as they are coming through in case they are not identified on a manifest, so they would know just exactly what to do to either neutralize or to take care of the waste so there would be no danger either to themselves or to the citizens as a result of a spill.

I raise these issues with the minister hoping he can give us some answers and alleviate the fears of many in the Windsor area who think, and I believe they are correct, that some of the hazardous wastes may be going through our area to disposal sites in other parts of the United States.

There is another issue I would like to raise with the minister. The polluter is going to be responsible, but when the pollution is of a fairly short duration yet does contaminate the area what do the citizens do? How do they get the minister to close down the facility or stop it from operation as soon as they find there is some sort of malfunction?

The minister kindly gave me a letter on the issue to which I am actually referring. I won't mention it by name, but the minister is quite familiar with the problem.

Those are the few concerns I have and I thought I would like to raise them at this time hoping to elicit some type of response.

Mr. Lupusella: Mr. Speaker, I am pleased to rise in support of the principle of this bill. I would like to take the opportunity to bring to the minister's attention some of the problems facing residents of my riding in relation to an issue which has been dealt with in this Legislature several times in the past. I am making particular reference to the problem of lead pollution.

I would like to find out from the minister, when Bill 24 is passed by the Legislature, what kind of approach he will use to solve this problem which affects several communities, especially here in Metropolitan Toronto.

[5:30]

This issue has been raised in the past by several members sitting on this side of the House. I'm sure the minister recalls when my colleague the member for Riverdale (Mr. Renwick) raised the issue of Canada Metal, located at Eastern Avenue, a company which is also affecting the lives of people living close by.

In my particular area, I would like to raise the frustration of residents living in Dovercourt in relation to particular problems affecting the environmental structure of my riding. I remember in 1975 when I was first elected I was supposed to deal with a particular problem which was related to Castle Spring Products Limited, located on Chandos Street on the west side of Dufferin, which was creating problems in relation to the environment. There were noise and pollution problems.

By way of history, it took myself and the residents two years to solve this particular problem and to raise the issue on the floor of the Legislature before the government took some particular action. By the way, I would like to inform you, Mr. Speaker, that the action was taken by the residents because they took the company before the court and they were told that the Ministry of the Environment was producing a violation notice to the company. It took two years before the residents were able to deal with this particular issue before the court and put enough pressure on the company so that the company decided to leave the area completely.

Then there was the case of Wilkinson Foundry, in which there was a spill into the environment last year, around April or May. I'm not particularly sure about the date in 1978. There was a spill of a particular chemical product which is called bentonite, which has spread around the neighbourhood in the residential area located beside the particular company.

I raised the issue in the Legislature until the Minister of the Environment was able to produce another violation notice, but without any concrete results. What happened was that this particular company, Wilkinson Foundry, which is located on the east side of Florence, acquired some land from the CNR to expand its operation. This particular company is located again—and I want to emphasize this—in a residential area. It creates a lot of noise and environmental problems in relation to pollution.

The Prestolite company is located on Dupont and Dufferin. I'm sure the minister very well remembers the spill of sulphuric acid which took place in 1978. I

raised the particular issue on the floor of the Legislature in order that the minister would investigate all of the plants located in Dovercourt to find out if there was a particular hazard to people beside the plants; after that warning to the minister to investigate the plants, two months later there was this spill of sulphuric acid.

Some of the people living and working beside the plants were particularly affected by this spill. What was the reaction of the Minister of the Environment? He sent some officials of his ministry to investigate the particular problem. Then there was an official statement made in the Legislature that the problem was finalized and so on.

But we still have the problem, Mr. Speaker, of lead pollution coming from this Prestolite company. I was completely surprised when, a few days ago, I read an article in the *Globe and Mail*, dated May 4, 1979. The headline of this article, and I want to quote it, is: "Province Will Not Replace Soil with High Lead Level." For the record, I would like to read part of it. It shows the position taken by this government and the Minister of the Environment in relation to people affected by this particular environmental problem.

To quote from this article, Mr. Speaker: "The land surrounding railway tracks near a west end battery company where children often play contains lead levels up to seven times what the province considers acceptable, the provincial environment ministry says." It is a shocking statement. The minister recognizes the problem and yet there is no action to cure or treat this particular problem, even when there are people living around this plant and affected by the pollution coming from it. It's a shock to me and it indicates that if the minister is really serious about the introduction of Bill 24—even though this side of this House endorses the principle of the bill—to get the best results in solving the problems which are caused by factories or plants located in the province of Ontario this government has to change its attitude and approach to the problem.

A few months ago, four or five months ago, I sent out my Queen's Park report to my constituents. On the questionnaire there was a question as to what the residents thought about the whole approach used by this government in relation to the environment. The other question was: "Is the government too lax in relation to the enforcement of environmental problems?" Almost 90 per cent of the constituents who replied to my questionnaire stated that the government's attitude was too lax in relation to the whole approach

of environmental problems. Even though this party endorses the principle of this bill, I think that the whole attitude of the government, as I stated before, has to change if we are really serious about solving this modern problem of pollution in the environment.

Continuing on through the same article, it says:

"Despite a major soil removal project two years ago in the area around the Prestolite Battery Division of Eltra of Canada Limited, the contaminated soil will not be replaced because it is on private property where children shouldn't be playing, John Steele, a ministry information officer said in a recent interview." Such a statement is absurd, because even though it was private property the owner of the private property didn't go and look for pollution. Of course the problem was created by the company. Why is the government making such statements and raising the matter of children playing on private property? What is the government looking for? Are people supposed to sell their own property to the private company which is just beside them? I really don't understand.

Through this speech I would like to convey the frustration of my constituents to the minister. The effect of the government's attitude is to force residents to sell their properties and to move out of the area. I don't think that is the best approach to use in a period when inflation is high and mortgages have been increased. It is not right to force the residents, who are workers, to sell their houses and to move out and buy a new house where they don't have this environmental problem.

The minister should take strong steps to prevent this happening. If the government and the minister are serious about solving this lead problem, we need action to ensure the emission of lead will be reduced at least to the level decided by this government. If the company doesn't want to follow the guidelines of the Minister of the Environment, then the minister has to take action so the lives of the people, especially of the children, won't be jeopardized by this problem.

I would like to continue with this article just to emphasize the problem and to emphasize also the attitude of this government: "But the fence between the railway land and the plant's parking lot, which children can easily reach from the street, is low enough for them to climb over, with a section broken down completely; and further west there is no fence at all."

Why do we have a Minister of the Environment? If this is the attitude coming from the government, we might as well do without the legislation. The companies are following their own whims and there is no law enforcement process which forces them to follow the guidelines of the Ministry of the Environment.

I would like to state as a principle that if we are serious about the legislation we need a law enforcement structure which makes the company follow the guidelines and the clauses and the sections of the bill enacted by this Legislature.

"The patch of land around the railway tracks was referred to at a recent Toronto Board of Health meeting, where members were asking provincial officials about problems involving lead contamination lingering in areas surrounding three Toronto lead companies." The article continues later: "The board has been concerned since the early 1970s about the health risk that lead contamination can cause, especially to younger children who sometimes eat the soil they play in. Acute lead poisoning led to drowsiness, irritability, abdominal pain and vomiting.

"Mr. Steele said there were about 17,000 parts per million of lead in the soil in this area." I hope the minister is paying attention to this figure; it is well above the accepted 3,000 ppm standard. "David Pinkus, the vice-chairman of the health board, produced documents which showed that one parcel of land in the area had a lead count of 20,750 parts per million.

[5:45]

"In a later interview, Paul Cockburn, central regional director for the ministry, explained that the results of the lead tests can vary like this from one patch of land to another on a site where counts are so high."

Further along: "Bill Henry, director of the manufacturing of Prestolite, said in a recent interview that he felt there was no danger because asphalt and stones covered the area around the tracks. But a visit yesterday showed that soil was clearly visible in the area."

This is the attitude of the company: There is no problem. Leave us alone; we have to make our own profits. If the health of the people living beside the plant is in danger, there is no problem; the profits are more important than the health of the people. I say it is time for the Minister of the Environment and this government to put the health of the people above the profits.

If we have a law in this province that governs everybody equally, then the companies should be bound by the same regula-

tions and the same laws by which individuals are bound. We cannot have different law enforcement structures for people and for companies because production or profits are more important than people.

It is time for the Minister of the Environment to take a look at the situations involving the plants of Prestolite at Dupont and Dufferin, and of Wilkinson Foundry, which is going to expand its operation. The owner of Wilkinson has acquired some land from the CNR to expand its operation, and he has done it with the blessing of the municipalities. If the Minister of the Environment is particularly concerned about this situation, he should appeal the decision of the municipalities before the Ontario Municipal Board. It is just amazing; people are so frustrated they have to take action. They were supposed to look for a lawyer to defend the residents. Why is the Minister of the Environment not taking action against the company? I need an answer to that question.

In addition, there must be an overall review of this problem as it affects people living beside these particular plants. I hope that, after years and years of frustration for the residents, the minister will take some action to alleviate the problem instead of aggravating it by letting the companies pollute the environment and forcing people to leave the area. This particular attitude is irresponsible, and I think the minister has to take action.

Hon. Mr. Parrott: Mr. Speaker, there have been a lot of comments—more than I anticipated—on this particular bill, but I am glad to see that. I am glad, of course, to see the amount of praise from almost everyone who spoke, suggesting this is an excellent bill. I have to concur. I think I should give credit where credit is due on the drafting of this bill. I would like to so name Dr. Landis for having done an excellent piece of drafting on a very significant piece of legislation. Although I have heard a fair amount of rhetoric about why this bill came forward, I think I should put it on the record that it was—I would not say at the insistence, but I would say at the prodding of our general counsel.

Just so there is no doubt about it, this was drafted before I became minister, so I can't take any of that credit. Indeed, it was long before Port Loring was an issue on the front page of any particular newspaper. Again, I think the facts would indicate general counsel is responsible for this legislation, and I am glad to have the honour of bringing it forward.

I do want more dialogue on this bill in standing committee, and I look forward to that. I will, in committee, have three amend-

ments, and I will send over these copies. They are very minor amendments and I don't think they will affect the principle of the bill. I would like to serve notice so that you may have them.

Several points were considered by each speaker, and I am not sure I will cover all of them in chronological order. I will at least try to be finished before 6 p.m.

With reference to the remarks of the member for Huron-Bruce (Mr. Gaunt), his suggestion was, I believe, that a company set up a fund. Well obviously they are at liberty to do so and we couldn't stop them, but there are some real problems with setting up a fund. One of them that comes quickly to mind is it is not likely it could be done on a gallonage basis. If you charged a half a cent or a cent, or whatever it happened to be, per gallon, I think it would not likely result in justice.

I think the member would agree some of our most hazardous wastes, the ones that are most difficult to control, would be in very small quantities. If we charged half a cent a gallon, that would be a fantastic amount of money if it were for gasoline but you could clean up 20 gallons of gasoline rather easily. If you had the same rate on a gallonage basis for some much more hazardous materials it would be unfair. I guess the extreme would be a gallon of dioxin. Even at a dollar, a hundred times the rate, it would certainly be unbelievable the damage one gallon could do and the cost to clean it up. I think there are some problems with putting on a gallonage charge. It is something we can perhaps talk about in committee.

There was a comment about a two-year limitation being too short. I think there are two rebuttals to that. First of all it is two years after the person knew or ought to have known, and I think that is a pretty significant time. Frankly, I feel to go to six years is too long, I think it leaves it in jeopardy far too long. I think two years after the person ought to have known, not necessarily at the time of the spill, is long enough. On a matter of general principle, it does sort of fit with other policies of government at this time.

Payment for indirect damages; again I am not sure we won't want to talk about this more in committee, it presents some problems. I think there must be a limit to the amount of damage one would really believe should be the responsibility of the company that owned or was in control of the material. I think common law has always respected compensation for certain consequences, even though they are remote. To put in "indirect" rather than "direct" I think makes it so

broad that perhaps the courts would be filled with cases to determine what is indirect damage. I think you can do a better job of compensating if we leave it as direct damage.

For proclamation, we need the regulations in place before we do proclaim the act. This was a thread that ran through many of the responses, the hope we are serious; of course we are serious. We wouldn't have it here if we weren't serious.

I am only going to deal momentarily with the last speaker's comments. As did several others, he talked not about the principle of the bill, Mr. Speaker, but about illustrations of how nice it would have been had this bill been in place at the time the incident took place. I am rather amazed they should criticize the government for bringing in a bill they want so badly and which is so needed in this province—

Mr. Laughren: We talked about your negligence. It was your negligence; you didn't need this bill.

Hon. Mr. Parrott: —and would have stopped the very things they complained about. They didn't speak on the principle of the bill, not at all. They used it as an opportunity to put on the record, and God bless them, those things that they felt would make good reading as they sent out Hansard.

Mr. Laughren: That's nonsense. That's misleading the House.

Hon. Mr. Parrott: I understand that protest. The fact is they distorted the record somewhat.

Interjections.

Mr. Deputy Speaker: Order.

Mr. Lupusella: On a point of order, Mr. Speaker: The Minister of the Environment is accusing me of not applying myself to the principle of the bill.

Mr. Deputy Speaker: That's not a point of order.

Mr. Laughren: The minister has been negligent and he knows it.

Hon. Mr. Parrott: No; that's not so and the member knows it. I think there has been a bill with the language more broad in the definition section than in this particular bill. It will give us an excellent opportunity to look after the concerns that members opposite have.

Mr. Lupusella: You didn't pay attention to those concerns in the past.

Hon. Mr. Parrott: As to why we left out atomic energy, I really feel that would complicate the administration of this bill. I think

it should be left with the Atomic Energy Control Board to deal with uranium. It's considered a national resource. I think including it would complicate it.

With regard to heat, that's another problem. It is very hard to recover heat. It's done instantly; it's into the environment, it's dissipated and how does one assess that situation? Again, we may want to talk about that. The effects are usually short term.

The member for Beaches-Woodbine (Ms. Bryden) did indicate that it's possible to have some measurable effect of a spill that would be the result of heat. It could have some real effect, and I think we can get at that. But heat in itself would be extremely hard either to restore or whatever. I think there's logic in leaving out heat and there's justification in leaving out atomic energy; but we may want to talk about those at a little greater length.

Turning again to the member for Beaches-Woodbine. I think her words were we were watering down the bill. If we weren't serious about this bill we wouldn't have it here. It was put on the record, as members know, last fall. We have had a lot of comment about it and indeed we have had some who oppose it. One can well imagine there are many who have opposed the bill.

Notwithstanding that, we think the principle of this bill is so sound and so valuable to the people of this province and that it will so remedy many of the problems we have seen in the past that we are adamant about the principle of this bill. That is why it's here. Let me put members' fears to rest. There will be no watering down of this bill in committee unless they do it. There will be no less determination on our part to make sure that the value of this bill is fulfilled in its total.

Ms. Bryden: What about the limitation period?

Mr. Laughren: You've already watered it down to two years.

Hon. Mr. Parrott: No, we won't.

Mr. Laughren: You have already.

Hon. Mr. Parrott: I have covered some of the other issues. I feel that the six years is just too long and it wouldn't be fair.

With regard to pecuniary loss, perhaps in some instances the courts will have to decide. Of course such things as wages, loss of the use of a home and all of those things obviously would be included. I suspect that when we get to some of the more subtle things the courts will eventually make those decisions.

Very briefly, the member for Erie (Mr. Haggerty) wanted to make a case that if we license, then we have a responsibility. I find that difficult to understand. Surely when we license an automotive vehicle we do not have the responsibility for that automotive vehicle if it does damage to persons or property. I think that case had the member a little bit confused.

After this bill comes into effect, we will have the opportunity to hold responsible those who pollute, if I can use that word, or emit into our environment, but surely not retroactively. I think the case the member for Erie made was that we should apply it retroactively. That's a very unsound principle in this democratic government of ours. I am sure that we should not accept that. Any discharge that might be going on now on a continuing basis, and therefore will be discharging after the bill comes into force, is of course subject to the terms. But in no circumstances would we make it retroactive.

In conclusion on that particular item, yes, we do have many studies on the Inco situation both during and before the strike, and we will have them after the strike is over. We have all kinds of information that we can and will supply to the member if that is what he wishes.

With regard to the member for Nickel Belt (Mr. Laughren), it is hard not to respond, and time does not give me that privilege right at the moment. We have seen and will continue to see that that is looked after. I think a lot has been done in a very short period of time since August. I want to put it very clearly on the record for the member that the proposal by the citizens' group will be looked at very carefully. I know the member felt that it was wrong to give it to Geocon. However, they are the experts, and the terms of reference that I personally gave to that company were simply this: "I want you to look at that proposal as objectively as you possibly can. If there is merit in it, if it is logical, we'll do it." They are not under any misapprehension that they have to go to the old method which we had previously agreed to, and it will be amended if there is logic in doing so.

Mr. Deputy Speaker: If the minister has further comments, it is six of the clock.

Hon. Mr. Parrott: Mr. Speaker, I think the balance of this discussion could very well take place during clause-by-clause consideration of this bill in standing com-

mittee. I would only say to the members opposite that I hope they will put a great emphasis on this particular piece of legislation when it comes to committee. I want it very clearly understood that I want this bill as soon as possible, and I hope the committee members will order their priori-

ties in such a manner that we will have this important legislation as soon as possible.

Motion agreed to.

Ordered for standing resources development committee.

The House recessed at 6:03 p.m.

APPENDIX

(See page 1949)

ANSWER TO QUESTION ON
NOTICE PAPER

HERITAGE LANGUAGES PROGRAM

114. **Mr. Bounsall:** As the provisions in the 1979 general legislative grants will generate a significantly reduced amount of provincial funding per classroom hour of instruction in heritage language programs, is it the intention of the ministry that local school boards pay their increased share of the costs by raising property taxes? If this was not the intent of the ministry, outline other specific courses of action open to school boards. [Tabled April 5, 1979.]

Hon. Miss Stephenson: I have just recently announced a change in the level of funding for the heritage languages program, effective September 1, 1979, from that originally announced in the 1979 GLG. This change is being introduced to reconfirm the government's commitment to the heritage languages program so that all children in Ontario whose parents are interested in the objectives of the program have the opportunity of participating in it.

Effective September 1, 1979, a grant of

\$13.50 per instructional hour will be provided where a school board provides a heritage languages program for an average of 10 pupils. The \$13.50 per instructional hour will be increased by 50 cents per pupil where the average is more than 10 pupils to a maximum of \$21 per hour where the average is 25 or more pupils. For example, \$13.50 in grant will be provided where the average class size is 10 pupils; \$16 where the average class size is 15 pupils; and \$21 where the average class size is 25 or more pupils.

In the vast majority of the cases, the cost of providing heritage language classes will be equal to or less than the grant being provided for such programs, therefore school boards should be able to provide heritage language classes without imposing a mill rate burden on the local taxpayers. In effect the full cost of the heritage languages program will be funded by the provincial government.

As a result of the change, there is no need for school boards to impose a fee on pupils participating in the heritage languages program.

ERRATUM

No.	Page	Column	Line	Should read:
46	1910	2	48	guess I can put it very simply. Bishop Legurrier

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Third Session, 31st Parliament

Tuesday, May 15, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

TUESDAY, MAY 15, 1979

The House resumed at 8 p.m.

SMALL BUSINESS DEVELOPMENT CORPORATIONS ACT

Hon. F. S. Miller moved second reading of Bill 49, An Act respecting Small Business Development Corporations.

Hon. F. S. Miller: This bill, I am sure, will invite some discussion. The bill is, by my own admission, not necessarily proven to work. I say that before the discussion begins. I believe it will. I am, also, not totally opposed to amendments to it that will make it work. I say that in all honesty too. I would only have to mention that any proposed amendments were useful and in keeping with the safeguards we may consider are within whatever political philosophy our party may have as opposed to others.

I can safely say the purpose of the bill is to stimulate investment by Canadians in equity rather than in savings and, in order to stimulate this investment, we felt some kind of tax advantage, not necessarily equal to that given in other savings plans like the registered retirement savings plans or some of the other variations, but some kind of tax incentive was necessary.

For us to parallel the federal government rules for income tax calculations, it was not particularly easy to find a simple credit system that would be put through the income tax system, so Ontario decided to grant a cash refund of 30 per cent of the value of the investment in the small business development corporations that are properly registered. We feel this kind of incentive is enough to attract investment.

We put a number of other limitations on it, in principle. One is that no less than \$250,000 must be subscribed in any one corporation nor no more than \$5 million in one corporation. We also said the corporations could not control any corporation in which they invested; therefore they couldn't own more than 49 per cent of the total voting shares of all classes of a company in which they made an investment.

Also, we have limited in the bill the right to invest in corporations that are associated—where the owners have control of them indirectly. These we believe are safeguards

to prevent an abuse of our principle—that is, that one should get a credit for taking a risk. We really didn't want to give people a mechanism for loaning money to themselves and getting a provincial credit in the process of so doing—or putting equity in their own companies and getting the credit.

I will have some minor amendments. I think copies of those—

Mr. Peterson: Could I ask about the taxation of the SBDC?

Hon. F. S. Miller: The taxation?

Mr. Peterson: How will the SBDC be treated?

Hon. F. S. Miller: On the federal scene?

Mr. Peterson: Federally and provincially.

Hon. F. S. Miller: The SBDC I would assume would be entitled to receive income from its investments as any other corporation would. That would be in the form of dividends, I would think, whether they are on preferred shares or on common shares.

Mr. Peterson: Not necessarily.

Hon. F. S. Miller: I'd be glad to listen to the arguments on that. Certainly they aren't lending the money in the sense that one would normally give a loan to another corporation.

Mr. Peterson: They earn interest on a trust fund.

Mr. Deputy Speaker: Order.

Hon. F. S. Miller: That could be so. They could have income from a number of sources because not all of their moneys have to be invested at one time.

But I would assume their taxation on income does not differ from any other corporation. I think where the taxation differences will apply is on the capital gains taxes that may apply on the sale of the shares by the first shareholders of an SBDC. When we started this out, we were assuming that if you purchased a share for \$100 your net cost would be \$70, after your \$30 refund. We assumed that if you sold that share eventually to a second owner of the share for \$150, you would have to pay a capital gains tax on \$50. We had reason to believe the federal government would not collect tax on the \$30 Ontario returned to the investor.

Since my latest comments on this publicly, federal government staff—not politicians, but staff—have made us wonder whether they are still willing to live by that. So we can't conclusively agree they won't tax the \$30 at the federal level. They may say: "Look, that \$30 is subject to tax when the shares are sold." That's something I think will have to be discussed at a political level once the election is over with the powers-that-be in Ottawa at the time. So I can only say federal staff currently are leaning towards taxing that \$30 as a capital gain and we are arguing it should not be taxed as capital gain on disposal of shares. I think that's our latest position on that.

Mr. Peterson: Does one pay income tax on the \$30 grant?

Hon. F. S. Miller: No, my understanding is there's no income tax on the \$30 grant. My staff have just confirmed that by the proper nodding of heads over there.

Mr. Peterson: Where is the exemption?

Hon. F. S. Miller: In other words, how do they treat it as income? I suppose the answer there is that we don't give any T-4, T-5, T-6 or whatever it would have to be, to show it was income. It was simply a grant from the province that was non-taxable on that basis. In any case, we recognize it is experimental legislation. We recognize with experience it may have to suffer amendments as time goes on, but I would like to point out we have received more than 500 inquiries to date about SBDCs. A lot of that interest is obviously coming from professionals who are advising investors rather than the investors themselves, but a good number of the inquiries, I am told, have come directly from people interested in receiving or purchasing an SBDC.

Let me try to put in plain English the way I could see it work. I have used examples from my own riding because I think I can see the kinds of opportunities in my town and I am sure you could see the kinds of opportunities in your town or city. In my town of Bracebridge, there are a number of very small manufacturing concerns. I will use an actual example. This one has not applied for assistance; I am just using it as a kind of example.

It's a small steel fabricating plant which employs about 15 to 20 people, I would guess. It has recently received a very large order from the telephone company of Northern Telecom, which is really stretching its ability to produce. They really need to expand the plant a bit and like so many small companies, they're looking around for

the available money to do so. The banks will look at them and say: "We think you have all the money you could really borrow from us. You do not have enough equity in it." Therefore, they would go around looking for equity rather than loans.

An SBDC would be able to move in, purchase preferred shares or common shares as long as they voted, put the money into that company, and allow that company to expand. Later on, if they were preferred shares and they were redeemable, of course they could be redeemed. If they were voting common, they would stay in existence until such time as either the corporation bought them back or they were sold to other shareholders. Either one could take place according to the charter of the corporation and the conditions of the charter.

You could do the same with a tourist resort operation. Again, tourist resort operations, from my experience, have great trouble getting mortgage money. One large operator in my riding, who's as good an operator as we have, recently was saying that after 22 calls to mortgage companies he finally got one who would lend him two thirds of the current value of his lodge at 16 per cent. When he is faced with that kind of difficulty in getting money, you can understand he is looking for other routes. Again, the preferred share route might be one where the coupon rates would be lower. The advantage to the investor would give them a higher yield than the coupon rate. It would have the advantage of being redeemable if they wished to have that kind of condition attached to it. I think we have mechanisms by which we can find ways to assist a number of small companies in the province. Of course, there are limitations. A company has to have fewer than 100 employees at the time of the investment. Let's hope some of them grow well beyond that with success, but the conditions would be determined when the investment is made in it.

I am fairly enthusiastic about this legislation. Maybe I am being unduly optimistic. I truly feel, and I hope the Liberal Party agrees and I think even the NDP may agree, we do need to stimulate Canadian ownership of Canadian companies by individuals. Let's leave aside any other routes. Just looking at those routes which encourage people to invest in their country and to take some of the risks in their country, this is one mechanism by which I hope we can do just some of that.

Mr. Peterson: Mr. Speaker, I wish to say at the outset I have great sympathy for what

the government is trying to do. There is no question about that. I am sure even my friends to the left have that particular point of view, although I can't speak for them. We all want to assist small business, particularly manufacturing processing, and the tourist industries. We want to make it as easy as we can for them and we want to boost Canadian ownership. In all of those intentions, I am 100 per cent with the government.

As you will recall, Mr. Speaker, we have talked about this subject until we are blue in the face on this side of the House. We have suggested alternative proposals of our own to solve some of these kinds of situations, so philosophically, let me say at the outset we have no problem whatsoever with what the government is trying to do. Number two, let me say I recognize the frustrations of the Treasurer's position. He is saying it would be so much easier to have the co-operation of the federal government in this matter.

[8:15]

Clearly, in my judgement, the proper solution to some kind of a venture capital program would necessarily involve the federal government. If that could ever be arranged, it could be done simply and probably workably. I would ask the minister to continue to press the federal government, whoever that happens to be after May 22, to try to come up with a better plan than the one I think he has got here.

That being said, I am kind of unhappy with this legislation, principally because I don't think it is going to work. I hope desperately I am wrong; I hope my instincts are wrong; I hope the people I talk to are wrong; I hope the judgements they are collectively bringing to bear are wrong. However, the minister has said himself that he is not at all sure it is going to work.

In fact, he has been so pessimistic that he hasn't even budgeted for this bill to work. If one looks at his budget recently tabled in this House, one will find out that he is not sure himself because he has not allocated any funds. When his ministry officials were asked, "Where are you going to get your budget allocation for this particular program?" they said, "We are just not too sure about that."

I remember during the lockup we had six or seven of the officials in. We asked about this, and they weren't exactly sure. We asked them about provisions of the act, and they weren't too sure. They thought maybe the minister dreamed this up over the weekend up in Muskoka. That is a nice place to relax for a weekend. It clears the head and allows all the full powers of his magnificent mind

to be focused on one particular issue. I guess this is what came out of it.

Mr. Laughren: That is not a compliment.

Mr. Peterson: We are going to have to assess maybe a year or six months from now whether this is working. But it seems to me—and I say it very sincerely—that not an awful lot of thought has gone into this.

I know that the Canadian Federation of Independent Business are terribly proud of themselves with this particular piece of legislation. They feel they created it. They are heralding it as a new wave of their influence in the legislative process in the province and across the country. I hope they are right too. If it works, I say to the Treasurer very sincerely that he deserves the credit, and I will give him all of that credit. He can share that with the Canadian Federation of Independent Business if he wants to. If he doesn't want to, he need not feel obliged to.

However, we had a similar experience, as I recall, in the 1977 budget when Mr. McKeough announced the magnificent new venture investment corporations program. There were big headlines then and there are big headlines now. It is a magnificent new program to help small business, but when it all cuts down there isn't much there. Perhaps the political object has been achieved, that being to indicate or register some kind of sensitivity or feeling for small business.

I want to say this very sincerely because it bothers me. We are collectively involved in a process right now of turning off the small businessman. I get calls daily from small businessmen saying, "What is all this stuff I read in the paper? Everybody is talking about small business. The federal government, provincial government and everybody have got this new concern and sensitivity for us."

Then they say, "Here is my particular problem." I go through it with them and I say; "I hate to tell you this, but there is nothing for you." Then I say to the next one and the next one and the next one, or "There is nothing for you," and "There is nothing for you," and "There is nothing for you."

We are creating a great number of false hopes and expectations in this particular entrepreneurial small business class, which I regard as important and sacrosanct to this country. We are collectively turning them off. It's not the Treasurer alone. I think all of us are probably involved in this because all of us have indicated our thoughts on this matter. We are collectively turning them off and we are turning them into a disgruntled, disillusioned bunch of people, because all of this talk and all of these legislative programs are so narrow and are so ill-conceived in

some respects that we are not able to effect the purposes of helping them. That is a real problem that we collectively have. We have collectively made the error of getting their expectations to a point where they don't realistically belong.

I think this piece of legislation is going to contribute to that. I know the Treasurer has had 500 inquiries. I am surprised he hasn't had more. Personally, I have had a goodly number of inquiries. Many of my colleagues have come to me for information. My colleague the member for Renfrew North (Mr. Conway) came to me last week and described a particular program of one of his constituents. I had to say, "You have to phone him back and tell him there is no way he can qualify." There is one more disillusioned person and my colleague can attest to that.

All of my colleagues have come to me about particular cases because it sounded so terribly exciting and we saw so many headlines. When it was all cut down there was really nothing there. I hope I am wrong; I pray I am wrong, but I am not sure I am. Therefore, I want to register a number of specific problems I have. Included therein are going to be a lot of questions and I would be most grateful if the Treasurer would clear them up, perhaps when he responds at the end of the dissertations from this side of the House.

Perhaps some of my questions and some of the reservations I have are ill-founded and I hope they are. I must say I have done a very careful reading of the act. I have consulted a number of experts, be they venture capitalists, big shooters, little shooters or individual businessmen. I can say, with the exception of the people I talked to from the Canadian Federation of Independent Business who figure they wrote this act anyway, and who did not have a complete comprehension of it, most people were very pessimistic. I guess the Treasurer has registered that problem himself.

Let me quote a letter I received from a particular person who gives me advice. He is in the money business. He is lining up Multiple Unit Residential Buildings and using various tax shelters to assist his clients—a very sophisticated operator with a good view of the marketplace who understands what attracts money, what moves money and what gets good deals made. I guess when it comes down to it, we have not recognized the realities of the marketplace in this bill and that is principally why it will not work.

The letter reads: "Dear David:

"First of all, I should give you my general opinion on whether the act will achieve its purpose in raising funds for Ontario ventures. I do not believe that it will. There are too many roadblocks that have been put in the way of giving the money to the venturers. I think the legislation is politically high profile, but from an investment strategy viewpoint not many investment people will take advantage of it." It goes on in four or five pages to document some of the specific things. I will certainly be sharing some of those opinions with the Treasurer as I deal a little more specifically.

The primary object of this bill clearly has to be jobs in Ontario—new jobs being created by new ventures. That means we have to be particularly sensitive to the question of how money is to be attracted to a new venture. How do we get new creative capital to those people with ideas, those entrepreneurs, those people who can do something for that particular proposition.

At that point it is not a question of how we attract money from the investor to the Small Business Development Corporation; that is easy. It is how we get money from the SBDC to the small business. Members will have to follow my chain of logic here. I think that although we have made it attractive to get money into the SBDC, we have not made it particularly attractive to get money from the SBDC into the presumably high-risk kinds of propositions that we want to.

The way it has been framed, it probably is going to become a very conservative kind of mechanism that is only going to become an alternative source of financing to the kinds of financing available. Probably it is not going to bring any new money. Probably any small business that can get money from an SBDC could have got it anyway, because the money managers by definition are going to be fairly conservative. I will get into this in a little more detail later because there are various ways these particular SBDCs can function but I want to make that first point.

The other problem we have is that only private companies qualify. This is a bit of a risk. Only equity positions qualify, as I understand it, although there is a section I do not understand and I will get to that later, because one of the eligible investments is certain debt instruments. The Treasurer will be obliged to explain this to me at some point.

It is my view that certain kinds of debt should be allowable for an SBDC to hold. I think if we only make classes of preferred shares or common shares eligible investments,

then we have necessarily put a restriction on the free flow of capital. Lots of money does not go into companies by way of equity only; lots of it goes in by way of mixed packages—some debt, some equity, preferred, common, or various other forms. We should let the marketplace run in those areas and not try to put legislative restrictions on the kind of capital that should be going into these eligible kinds of small business.

But back to my point: Only private shares are eligible; so a company can only buy shares in a private company. Mr. Speaker, I can tell you that some people I have talked to—and these are sophisticated investors; if I told you their names, you would know them—have told me that under no circumstances would they ever take a minority position in a private company. There are far too many ways to be taken advantage of. A share in a private company is not a liquid one; there is no available market for it unless you have tied it up with contracts, buy-sells and various other kinds of things. It is a highly questionable kind of investment at best.

The majority shareholder at any point has no securities regulations to comply with. He can pay himself any kind of salary. He can bleed the company. He can do almost anything he wants to. So what kind of protection has an investor got? It is a question that has got to be asked. We are asking a person to take a percentage of a private company, the small business development corporation, which takes another percentage of another private company; so he is two removed from the investment.

What is the marketability of these particular shares? Who is going to buy from me the shares of an SBDC that I have bought for \$100, less \$30? Where do I sell these things? There is no market for them. Perhaps the intention is that some sort of secondary market will develop; that we are going to develop an over-the-counter exchange here in this province. I have no idea.

In addition, supposing an SBDC has made an investment, how do you get the money out? Who are they going to sell the shares to? It is so tight, with very little liquidity or no market, that sophisticated investors are going to say: "I don't care if you give me \$50 or even \$70, back from my \$100; it really is a dumb investment." If there is not some degree of liquidity or security, it is not all that good.

The Treasurer has framed the thing so tightly that he is driving people away. At the end of my dissertation tonight, I will take him back to what our proposals were; we

think we have covered these in the kinds of ideas that we have.

Those are some of the market realities that exist, and for those reasons it is not going to be as attractive as the Treasurer possibly thinks.

There are three possible scenarios when someone invests money in an SBDC. It can be a failure, in which event he loses his money. It can be a nonperformer, in which event he will probably hold tight and take his \$30 to the bank. Or if it is successful, by definition he will be forced out; if it gets more than 100 employees, or if there is a material change in the nature of the eligible investment, notice of which is filed with the minister, at that point he has two years to divest himself of that particular kind of investment.

The restriction on 100 employees is wrong, I say very succinctly to the Treasurer. To go back to my original point, they were here to create jobs. There are certain kinds of companies, all different, in this province that are decidedly labour-intensive. Supposing it is an assembly operation—we are not all that successful internationally with assembly operations, but supposing we did have one—mostly they are labour-intensive, and presumably it would qualify. But we would just drive this capital—assuming it came in the first place—out of the company by virtue of the fact that it becomes successful.

That's something the Treasurer should look at fairly seriously, because I am not sure it is a correct restriction.

Another general concern I have is about the very high degree of ministerial discretion in this bill. The Treasurer has almost put the ministry on the board of every SBDC as well as every small business in this country. Every time they move they have to file, as the Treasurer indicates, with the Ministry of Revenue; so it is going to be the obligation of the member for Parry Sound to administer this. Believe me, the minister is walking into a most difficult one.

[8:30]

I have no idea what kind of turnaround time the government expects to have in the bureaucracy with this thing; I have no idea how it plans to administer it. But the Treasurer has taken on a tremendous number of judgements that he will have to make. Almost every time there is a change in the corporation, whether it is an investment or a payout or a dividend or when it does something new, they have to get the government's permission. That is another impediment to the free flow of capital naturally seeking places of higher reward.

I think the idea was a good one, but I think so many impediments have been put into it along the way I doubt that collectively we're going to achieve the desired result. I don't recall ever reading a piece of legislation in this House that has more ministerial discretion, or more places at more times that the eligible person has to check with the ministry. I think that is one of the other reasons why people who may look at this are going to say, "Gee, I'm not sure about this."

I don't think we're going to be in the high-risk situations here. There is an incentive to go into the SBDC, which is locked up in a bunch of rules, but there's not the incentive for the SBDC to invest in the high-risk propositions.

The Treasurer said earlier that all the relationships have to be at arm's length. As I read the legislation—perhaps he can correct me if I'm wrong—there is a provision whereby someone could invest in their own company if they were not a majority shareholder in an SBDC—that is, they had to have less than 10 per cent—so with a consortium of 10 or 11 other shareholders they could possibly reroute some money back into their own company. So it's to prevent abuses.

I am not sure, if we really want to develop high-risk propositions, that we shouldn't let the entrepreneur have a tax advantage if he is creating jobs here. Why are we so anxious to exclude him? That's another question I want to ask the Treasurer, because I'm not sure we've seen the realities of the marketplace in that case either.

I want to discuss for a minute the taxation aspect of this thing. I want the minister, perhaps when he comes back to his seat, to explain some of the taxation aspects of this situation to me, or maybe his officials can, because I see a number of problems.

First of all, when one is looking for a return, any small business is going to be taxable—presumably at small business rates but not necessarily, if it's on an expansion or something like that. So it's going to be taxable. Then there will either be a dividend or some sort of payment out to the Small Business Development Corporation. I'll get back to that in a minute but I understand that doesn't necessarily have to be a dividend out. Those flow through to the Small Business Development Corporation; but then the SBDC is taxable under the Corporations Act. So they've already paid tax; dividends are after-tax money, they are not tax-deductible money. So investors come out after tax and they go into a small business devel-

opment corporation which again pays tax. The Treasurer should think about this and respond to me because he's shaking his head.

Hon. F. S. Miller: I'm listening to you.

Mr. Peterson: I would like to know the answer to this because I suspect it hasn't been thought through. Maybe the Treasury officials can help me.

Hon. F. S. Miller: The dividends will flow through.

Mr. Peterson: But not all of the investments are dividends.

Hon. F. S. Miller: That's right, but they're not pre-taxed.

Mr. Peterson: They're deductible in the hands of the small business but they're taxable in the hands of the Small Business Development Corporation.

So the SBDC pays tax on at least some of its securities. It's going to pay tax on its trust fund moneys—the 30 per cent it's holding on to waiting to give back to the government when it winds up. There is going to be some tax payable there. Then how does that money flow from the SBDC to the investor? Does that go by way of dividends. I have no idea. Presumably it does go by way of dividends.

The other problem is—and it's something the Treasurer hasn't recognized and I address this to the staff sitting here to have them explain it to me—when the small business pays a dividend to the Small Business Development Corporation, it cannot pay a preferential dividend, it has to pay all shareholders. There are a lot of little companies that don't want to pay out a dividend. They might want to pay out only a certain percentage but they have to pay everyone equally.

I assume the minister's response would be they can use preferential shares. They will have had to go to their lawyer for supplementary letters patent to create this new class of share which can omit a dividend. If they don't do that, and if they sell common shares, he is forcing them to get rid of some of the capital they should presumably use to grow. I am saying I don't think there is enough flexibility in the situation. I don't think the SBDC should be a taxable corporation. I think it should be a wash vehicle the same way the Multiple Unit Residential Buildings syndicate is a wash vehicle. It should be just a way for washing through to the original investor. I think we should remove that impediment because of the different kinds of situations that can be created and allow more

flexibility for money to earn money and money to find the right place to be in the marketplace.

The minister has said when the grant from the provincial government goes out it is not going to be taxable. I would be very interested in knowing his tax advice on that particular situation. When we send out a baby bonus, it is taxable. All other forms of social security are taxable. Everything including OHIP premium assistance by a company is taxable. In other words, what I am saying is all forms of government assistance now are taxable.

Why wouldn't this be taxable? Does the minister have a special exemption from the federal government? Maybe he has. I have no idea, but it is a gift and I would like to know about that. I would like to make sure that in fact the guy is not going to be hit with some kind of new form.

Just because the minister doesn't send out a T-4 or a T-5 does not mean he is right. It doesn't mean the federal government couldn't come along in two years and reassess all these people because it is a gift. It is no different from any other government transfer payment. It is only to a privileged class of people. I would like to know the answer to that.

We have seen a change. As I recall when the budget talked about this act, it said it was for capital gains purposes. The minister was going to come under the agreement and he was not going to include that original \$30 or the rebate back to the investor. Tonight he has told us that may not be the case and the federal government may be backing off under that thick legislation.

Does the minister see what I am telling him? I have told him six or seven or eight things already that are going to cause sophisticated investors to say, "Holy smoke! I'm not sure this is worth anything at all when I have to go through all of those things." What is going to happen if that doesn't work is it is going to attract only the unsophisticated investors and they are going to be taken advantage of. He has to gear this legislation for sophisticated investors. His intention is to deal in size. He has no limits on this. A person could put in \$1 million or \$2 million. The member for Nickel Belt could put his entire material wealth of \$3 million or \$4 million into a situation like this and get a big tax write-off.

So those people with that kind of money, like my friend from Nickel Belt who is a sophisticated and shrewd fellow, are going to say: "This isn't for me. This just isn't going to pay dividends down the road." We have

to look at that flow-through situation. The minister has to look at the taxation between the various companies and I would like to hear some reasonable explanation for it.

We suggested our own alternatives, and I don't plan to go into great detail about those. One is a very conservative venture capital proposition. The investor we were aiming at was perhaps the person who puts his money into Canada Savings Bonds or guaranteed income certificates or that kind of conservative investment. We thought, let's have an alternative for that, which is government-run. He or she can contribute to the capital stock of this country, and with government protection and government organization. It would try to generate some new venture propositions in this province.

Hon. Mr. Snow: That's not a conservative approach.

Mr. Peterson: Well, conservative with a small "c." There would be tax advantages in so doing. It would assist that particular person, but it would provide a fairly conservative fund for so doing.

The other one, which is more attractive to me particularly, I must say, and which is one that would be more worthwhile, would be to remove as many government impediments as possible. One of the things we would have done is have a ceiling of \$5,000. There would have been a tax credit for the Ontario portion of the taxes. We would have not allowed an unlimited contribution because that opens itself to the sharpies and the tax evaders. It would be \$5,000 a person with only individuals qualified. It would be a deduction of 200 per cent on the Ontario portion. The minister talked at budget time of creating a nursery for capitalists. This is no more closer to creating a nursery for capitalists than any of the other propositions he has. It creates as much capitalism as handing out \$200 million worth of grants.

First of all, the Treasurer has framed this legislation in such a way that the principal beneficiaries, if it works at all, will be the large companies. I suspect even they won't take advantage of it very much. The benefit is framed for the banks or the large investors. But even if he wants large investors to be involved, which seems to be his purpose, the Treasurer has put a \$5 million limit on it. It is probably too small to syndicate and probably too small to get sophisticated investment dealers working it. He's left it to sort of a middle range. It's too big on one hand and too small on the other hand. I'll get to that in a minute. Those are a number of reservations and questions that I have

which I hope the minister can explain at some point.

I want to deal with two or three of the sections if I can. Section 7 refers to a minimum capitalization of \$250,000 and \$5 million maximum. I have no idea nor do I understand—and I would be grateful if the minister could explain to me—where he found those numbers. If we're going to really have a populist capitalist system, which I happen to think is the most attractive, where we get the butcher investing in the baker or the chap who wants to invest down his street, where we get rid of the government impediments to the best that we can, why does the minister have a minimum of \$250,000 on it? I see no advantage to that.

I think the system that should be built is one that liberates \$1,000 here and \$2,000 there and has a more direct relationship between the investor and the small business. He has so obfuscated it with ministers and with vehicles in the middle that he isn't ever going to achieve that desired result. All that person with \$1,000 can do is become part of a SBDC of minuscule percentage of a \$250,000 minimum capitalized company.

I think it's wrong and I would like the Treasurer to look at that very seriously. On the other hand, \$5 million probably is too small, as I said earlier, for big investment dealers to handle. He will have a mid-range of investment dealers finding these things out. But then he has all these restrictions on them. By the first year, they have to have 40 per cent of their money out; by the second year they have to have 70 per cent of their money out.

I foresee ads in the local paper: "Are you looking to get a tax write-off? Invest your money with us." Then these people are going to put another ad in another column saying: "Are you looking for money? We will give it to you. We will buy shares in your company up to 49 per cent. We have all this money available."

Those arbitrary distinctions of 40 and 70 per cent in the first year and the second year don't necessarily conform to the realities of the marketplace. They don't necessarily conform to when the good deals are coming along. Who knows if one is an entrepreneur in this business? I think there should be room for entrepreneurs, money finders and money brokers to get involved in this. That's fine. Sometimes they are the most efficient allocators of capital. But why do we put these restrictions on them, maybe forcing them into deals that aren't particularly good, when we could be a little more

lenient and probably make the system work a little bit better?

Then we have a deal where we have to keep 30 per cent in trust. As I read the legislation, it's 30 per cent until 70 per cent is invested. After the 70 per cent is invested, then they can invest the other 30 per cent. I must say I'm having some difficulty with that section.

Presumably then, as the minister understands it, after the 70 per cent has been spent in eligible investments, then they can get ministerial permission to invest the 30 per cent they held in trust up to that time in another eligible investment. That's fair enough, and I approve of that. Some people were reading the section as if that money had to be kept in perpetuity and, in effect, would be got back from the SBDC on its winding up or if it was deregistered.

[8:45]

Hon. F. S. Miller: Do you understand why that clause is there?

Mr. Peterson: Sure, I understand why the clause is there but it should be removed. I was under the impression as I read the act and here is what it says, Mr. Speaker. Section 7(3): "After the end of its second year of registration under this act, a small business development corporation shall at all times maintain an average of at least 70 per cent, calculated in the prescribed manner." I guess that doesn't preclude the final 30 per cent being invested, which, of course, is as it should be.

Let me talk about eligible investments. I think the minister has solved my problem in that, which I appreciate. Eligible investments are in companies with 100 employees. I think that's fairly arbitrary. I think you should probably change that as we discussed earlier. A successful company will necessarily be precluded from being in the investee category. Then, 75 per cent have to be in the province or two years to divest. I certainly understand that at the beginning but it necessarily puts some squeeze on a company if, in fact, they get the money at a later time and it limits their investment options.

With regard to the 49 per cent share limit; a number of people, outside investors, have spoken to me and said they think that is not a particularly intelligent section. I realize you want to keep control in the hands of the entrepreneur and I think that's a valid criterion in many ways. On the other hand, it again encumbers the natures of the financing and there are certain deals that may come along which necessarily need

either a new management, new kinds of people to be involved or new help or the percentage that the new investors are putting in is totally disproportionate to a 49 per cent interest. So, that is something you may want to allow some degree of flexibility on.

Section 9(1)(g) does not make any sense to me. It says: "An investment shall be an eligible investment if the small business is not of a type prescribed by the regulations." I assume that's a typographical error or perhaps the minister can explain that to me at a later point. Maybe we will discuss that if we go into committee of the whole House tonight.

There is one question I have with respect to section 10(1): "A small business development corporation shall maintain its assets in, (a) eligible investments; (b) liquid reserves; (c) equity shares that were eligible investments at the time they were acquired by such small business development corporation; (d) debt obligations of any small business that is an eligible investment." Does that mean that the SBDC can take a debenture in a company or can lend money and take back a promissory note?

Hon. Mr. Snow: How about a mortgage?

Mr. Peterson: Or a mortgage. What does it mean?

An hon. member: A mortgage can only be on land.

Mr. Peterson: I have no idea what it means because certainly the premise that a number of people are acting on is, "No, it can only be shares, be they common or preferred." If the Minister of Transportation and Communications knows, I would be delighted if he would tell me. What does it mean?

Hon. F. S. Miller: I will give you my interpretation when I stand up.

Mr. Peterson: I think it's fairly critical. There are certainly—

Hon. F. S. Miller: Mr. Speaker, do you want me to give that answer now?

Mr. Peterson: I have searched through this thing in section 9(1). Perhaps I am being unfair because it's not really the kind of discussion we should be having on second reading and I would appreciate your indulgence in this matter, Mr. Speaker, but it's a very difficult bill. We are all involved in exercising a judgement about what's happening and we all want to make it work, although a lot of us have specific reservations. I don't know how to read that clause. There are other sections that deal with the same issue but

let me tell you my opinion. The Treasurer should give them the flexibility to invest in debt instruments, or a package thereof. He should not be too restrictive; he should not force the entrepreneur to give up his shares.

Hon. F. S. Miller: They can make such an investment.

Mr. Peterson: The Treasurer is telling me they can

Hon. F. S. Miller: That's my reading of it, but I will get that verified.

Mr. Peterson: Well, the Canadian Federation of Independent Business does not exactly know what it means, and several other people do not know what it means. I hope the Treasurer is right; I have been pleading for it. Let him check with his staff; I hope that is the answer. But let me put in my own three cents' worth: I desperately hope it means they can invest in debt instruments; that they can take promissory notes or whatever.

There is a good reason for saying that. A number of entrepreneurs who put their blood, their sweat and their life into their own business would gladly pay more money for debt than for equity. Sometimes, in certain circumstances, if you ask a man to give up equity, you are asking him to give up part of his soul. It is like giving up one of his members, his left leg or his right arm. People work all their lives for their own businesses. I know that the Minister of Transportation and Communications would agree with me. I know that in his soul, as a young man when he was developing his own business, he would much rather have paid much more to borrow the money than to give away part of what he is.

Hon. Mr. Snow: I never sold a share.

Mr. Peterson: That is why he is a successful guy.

Hon. F. S. Miller: I always sell shares.

Mr. Peterson: Well, there are different approaches to this kind of situation. I know of very successful entrepreneurs who have sold shares that turned out to be highly expensive after the fact because they were successful. I also know of others who would never sell a share to anybody; they would rather borrow the money because it was theirs. There are both ways. I say to the Treasurer, allow for some flexibility there, but please do not force him to give away shares in his company if he does not want to. Be flexible. Do not force him to give away preferred shares—nothing. Do not force him to go and take supplementary letters patent.

Hon. F. S. Miller: No one forces him.

Mr. Peterson: Of course they do, under this kind of legislation. But the Treasurer has become so restrictive and so dictatorial with this kind of legislation that he is defeating its primary purposes. That is why I had to ask the Treasurer about section 1(d). He has changed his mind about its interpretation, I assume from his interjection of two minutes ago. Can you or can you not invest in debt instruments? The Treasurer indicates you can. So that means an SBDC can lend money on a promissory note to an eligible—

Hon. F. S. Miller: Provided 70 per cent is in eligible equity investments; the other 30 per cent can be in debt.

Mr. Peterson: Why do we have this silly 70-30 rule? I do not understand any reasons for it as long as we are achieving our fundamental object of lending money to high-risk propositions that would not ordinarily get the money and we are helping create employment here in this country.

I am very serious about these things, I say to the Treasurer. Frankly, I hope we do not go into committee of the whole on this bill tonight; I hope the Treasurer can go back and discuss this with his staff and with some other advisers I know he has had on this issue, because I think there is more to this bill than has met the collective eye so far.

I know I am taking a disproportionate share of the time here, Mr. Speaker, but we have another situation in this bill. Section 12 talks about arm's-length relationship, and I am not sure that is a good situation either. There are provisions here whereby a person could take about nine per cent in an SBDC and funnel it back into his own company, but by that point his share would be so watered down in his company that presumably that is the protection of being at arm's length. I am not sure that is worthwhile. Why should we not give a person an opportunity to invest in his own company with some kind of a tax benefit?

Again, we have been so restrictive about whom we can lend to and whom we cannot lend to; I refer the Treasurer to section 12. One of the people, a strong advocate of this bill, came to me today and said: "It is a wonderful bill. We have had so many inquiries about this bill; we have already had people coming to us saying they are going to finance their suppliers." But section 12(2) says you cannot finance a supplier, because it is a non-arm's-length relationship; it says you cannot finance the purchase or sale of goods or services provided to the small business. This necessarily precludes one company which has had a supplier relationship with

another one from getting involved with each other.

I think this is unnecessarily restrictive. If we are going to create a nursery for capitalists, let us create a nursery for capitalists. Let's not be half pregnant, let's help them. We have created a nursery for bureaucrats with this particular bill.

I would commend to the Treasurer all of the reasons I have discussed so far—

Mr. Lawlor: You are advancing collusive practices.

Mr. Peterson: —I could go on for another hour on some of the things that disturb me about this bill—about the new letters patent, the taxation aspects of it, the ministerial discretion, the arm's-length stuff, the real rate of return, how we are interfering with the business functioning.

The Treasurer has this dream that everybody is going to run out and create these new preferred shares in order to make the taxing aspects work so he won't lose control, but I think he is dreaming. I don't think he is conforming to the realities of the marketplace. I don't think he can view the whole world the way he can view the creation of Santa's Village in Bracebridge.

Hon. Mr. Snow: Remember the national dream?

Mr. Peterson: I would say if the Treasurer is going to do it—and I would support it and our party would support it—then take the lid off. Simplify it. Let's see capital really moving. If the Treasurer believes in the free marketplace, in the allocation of capital at least—which I do—then let it work. Take out these restrictions. We might have the odd little scheme there. Let it really compete with the other tax shelters, the MURBs—

Mr. Lawlor: He makes the Treasurer look left wing, doesn't he? Adam Smith is speaking. "Take off the lid. Open the drawer."

Mr. Laughren: The invisible hand will look after it.

Mr. Peterson: My little friend here has something he wants to say and he is quite welcome to.

Mr. Lawlor: He wants to set up every collusive practice that has undermined the market. They can have price rigging, they can make deals and then they get a tax rebate. Isn't it terrific?

Mr. Peterson: Mr. Speaker, the realities are—and I don't expect any particularly worthwhile contribution from my socialist friends—

Mr. Lawlor: Jim wouldn't say that.

Mr. Peterson: Sure he would.

Let me say, the Treasurer is competing for this money with the MURBs, with the RRSPs, with the film corporations and all of that kind of thing. I think when one looks in detail that is the kind of money we are competing for. I think when one looks at this deal compared to those it is disturbingly less attractive and as a result it is not going to work.

I hope this plan works. I really do hope it attracts some capital and solves the stated social purpose. I have very serious reservations that it is going to work. I have no alternative but to vote for it because I hope it does work. Frankly, I don't think it can be cleaned up by amendment—a little one here and a little one there could be changed. I think structurally it is created by some people who really don't have a good feel for the marketplace.

Mr. O'Neil: They don't understand.

Mr. Peterson: I really feel the Treasurer has taken a shot at it; he has probably accomplished the stated political purpose, i.e., everybody thinks he is sensitive to small business. In the process he has disillusioned a lot of businesses. When they come to apply—these 500 inquiries—and they find out that probably 495 of them don't qualify anyway, they will run away disgruntled and the Treasurer will have alienated another sector in society.

If the Treasurer is going to do it, then let him do it right. If he is not going to do it then he shouldn't touch it at all.

I hope I am wrong. I hope I can stand up a year from now and say, "I was wrong." But I can tell the Treasurer I wasn't wrong on the venture investment corporations proposal in 1977. I stood in this House and said it would never work and it hasn't worked. There has not been one registration from it.

Mr. Haggerty: That's why he made the amendment to it.

Mr. Peterson: Unfortunately, in politics there are very few points for saying, "I told you so." I guess that is my biggest single frustration in politics, because I love to stand up and say, "I told you so." But nobody really gives a damn and it is very sad, let me tell you, Mr. Speaker.

I think we are right on this. We have given this a great deal of thought—probably, I say with respect, more than the minister has. I would ask the Treasurer to go back and talk to his ministry. We will even give him the benefit of our good advice on this thing to clean it up and bring a better bill back to the House. If it is forced through the House, we will vote for it. Why wouldn't

we? It is like voting for motherhood. But it is really not going to solve the essential problems.

That is my general message, Mr. Speaker. I have given you a number of specifics as to why I think what I am saying is correct.

[9:00]

Mr. Speakers: Before I recognize the next speaker, the Minister of Education has some offshore guests in the gallery.

Hon. Miss Stephenson: Mr. Speaker, tonight in the west gallery we have the honour of having with us a number of representatives, Canadian and Swedish, who are attending the Ontario universities program for instructional development. I think it would be appropriate if the members of the House were to welcome specifically our Swedish guests with the usual warm welcome which the legislators of Ontario provide.

Mr. Makarchuk: Mr. Speaker, I would like to enter a few comments on the bill. I must admit one of the reasons I am speaking on the bill is, as the member for London Centre said, that when the budget came out, there were a lot of people out in the world, that's the world that is outside the Legislature, who thought there really was something available for them to try to help finance their business or to help in their expansions, and so on. They came to the office and we looked at the legislation. We explained what was available and what the circumstances are expected to be, and they generally went away feeling rather disappointed about the whole thing.

Earlier today the minister mentioned his friend who is in the resort business, and the fact he had difficulty raising capital and that it eventually cost him 16 per cent after 23 calls or whatever it was, in order to get the mortgages. Similar situations are still going to persist. That is not going to change because of this legislation or because of the small business development corporations.

I think we have to recognize that although the thing sounds good you are going to get \$13 for \$10, or something of this nature. You also have to recognize that for the people who invest large sums of money, when you are talking about tens of thousands of dollars or hundreds of thousands of dollars it is not a Wintario proposition. With Wintario or the Provincial you are quite prepared to invest your \$1, \$2 or \$5, but when you get into large sums of money, you make darn sure you get your money back plus a return on that money.

Although that 30 per cent in this legislation is going to provide some kind of a

cushion, the facts are when an SBDC invests, or provides money for a small businessman, it will want an arm and a leg. Although they are limited by the legislation in the book by the amount in terms of shares, et cetera, it seems to me, and the minister will be able to correct me, the options are still open to them in terms of management agreements. They will be prepared to provide the management agreements, and I think that is a laudable part of this legislation. As well, they will be able to provide management services to the firm. They will still insist very much on how that business operates and on all aspects of its internal management.

One of the things a small businessman these days wants is to be independent. He doesn't want to have to go through various boardrooms making his phone calls, having his interviews, having accountants and various other sods and bods and sundry going through his books and business. He will sit there, after he has gone through this procedure for about six, seven or eight weeks, until he gets notified: "Well, I don't think we can advance you the money." The hopes go up, the hopes go down. He goes like a yo-yo in the operation.

I have a feeling the people who will put the funds into the development corporation will want a great deal of control which will be resented by the small businessman. The argument boils down to whether the small businessman is prepared to go this way or not. As I understand it, a similar operation in Quebec known as SODEC, I think, has been subscribed to and does seem to work to a point. Perhaps that is an indication the government is moving in the right direction. Also, where Quebec provides only 25 or 20 per cent credit, this bill provides a 30 per cent grant. It may inspire the people at the top to take some larger chances.

I think if the government was really interested in supporting the small businesses there are so many other areas into which it could move—research and development, new technology, funding for the Ontario Research Foundation, for example, particularly in the fields of productivity. We are anxious in Canada to increase the productivity of small businesses. It's a very necessary thing.

At one of the public accounts committee meetings we had the Ontario Research Foundation and they gave us an example of the assistance provided for research by the various governments in Canada.

Mr. Speaker: I'm sure the honourable member would like to be reminded that he should stick to the principle of the bill.

Mr. Makarchuk: In my opinion, Mr. Speaker, it's right on the principle of the bill—the type of provisions made for small businesses. It would show how the government should have moved to provide meaningful funding.

But anyway, in comparison, of a figure of 200 Ontario provides six; Quebec 21; New Brunswick, 36; Nova Scotia, 42; Alberta, 162; and Saskatchewan provides 194. Let me point out, the socialists provide 194 to Ontario's six on a per capita basis; which does say something about the commitment to small business that the various provincial governments have.

If the government was interested in assisting small business, it would have tried to provide some protection to small businesses right now that are being manipulated or put out of business by larger corporations. Some of the more serious situations developing right now are in the oil business. Major corporations like Texaco—in an example that was brought to my attention just recently—Sun Oil and Gulf are putting some of the small businesses out of operation because they are denying them supplies, they're charging them exorbitant prices, they're not extending them credit and everything else. This is after a period of years when these small businesses have been working.

Most small businessmen would like to be able to go to some agency of government or a private lender. Of course, as was pointed out by the member for London South, you don't allow debt in this thing. I would agree; it is wrong. The idea of taking some type of promissory note on the business is a laudable idea.

But at this time it's difficult for the small businessman to raise capital for his operations. He would be extremely happy if he—on the basis of his good name, on the basis of his reputation, and not on the basis of the amount of stock or the amount of property he has that can be tied by a bank—would be able to raise some funding so he can operate his business as he would like to.

The bill does not provide any kind of control in terms of whether it is a foreign-owned corporation or not. Section 9(1)(a) says an investment is made in small business and 75 per cent or more of the wages and salaries of the small business are paid in respect of operations in Ontario. This then becomes an eligible corporation to operate under the SBDC. This is of concern. I think the minister should look at it. It is 9(1)(a).

Hon. F. S. Miller: There is another section to deal with that:

Mr. Makarchuk: There is another section, but what concerns me is that a firm can be set up by a foreign corporation acting as a front, really. Those who own the business are Canadian nationals; the operation of the business ostensibly or in appearance is Canadian; but the point is the firm can be so tied up in franchise fees, licensing fees, royalties, management fees and everything else, that in effect they would be allowing a fair amount of money to move across the border to the detriment of Canadian corporations.

If the minister feels somewhere in this legislation this can be prevented, I would like to hear about it. If not, I would suggest perhaps—

Hon. F. S. Miller: Section 9(1) (f).

Mr. Makarchuk: It still doesn't cover the fact that besides taking the money out of the firm in dividends, one can take the money out of the firm in royalties, patent rights, licensing fees and that sort of thing.

I think the intent is to provide legislation that would encourage small Ontario businesses. At the same time it does leave open that loophole where a group from Ontario can be set up more or less as a front for a foreign corporation. They will no doubt receive certain benefits from the operation of that corporation, but at the same time a great deal of money can be milked from that corporation by these other methods I mentioned. Some protection should be provided in the legislation to ensure that this doesn't happen.

Most businessmen these days are really tired of spending their lives working and at the end of the fiscal year particularly when they get the accountant's report they find out they have been working for IAC, UAC, GMAC and everybody else. All those major lending institutions have made an unreasonable amount of money out of their operations and the businessman himself finds he has the crumbs at the end of the year.

Although this legislation may help and we will certainly support it, it doesn't provide that kind of freedom and that kind of accessibility to funding that businessmen want. That basically is the situation right now.

In the past I have argued that this government should, besides expanding Ontario Development Corporation, beside, as we have said on this side of the House, being involved in public and private ventures—and again I admit there may be a reluctance on small businesses to get involved in those kinds of situations; however, it has been done in Manitoba with a great deal of success under

the NDP government—at the same time the government should really seriously try to expand the Province of Ontario Savings Office, to make it a fully fledged banking institution. This has been discussed before and the Minister of Revenue said perhaps it was a good idea.

The minister earlier mentioned the gentleman who had to phone 23 places in order to get a mortgage on his property. The reason for that is that there really is no competition in the banking institutions or in the lending institutions. When one has a fair amount of equity, when they are sure they are not going to lose money, then they will be most anxious, in fact happy, to lend one the money and collect the interest. But the small businessman is looking for some other avenues where somebody is prepared to take some chances on his good name and his past reputation.

[9:15]

There is another matter which is of some concern. That is whether the 30 per cent is taxable when the individual files his income tax. However, Mr. Speaker, when you look at it, it is not a bad deal for the first year. If he goes ahead and borrows the money, he can charge the cost of borrowing the money against his investment. If he borrows at 11 or 12 per cent, assuming he borrows \$100,000, that costs him about \$12,000. But the minister will be very happy to give him \$30,000, so that's a net of about \$18,000. The problem is what is he going to do the second year or the third year? If he kept this up every year, he would have quite an influx of capital. I'm not sure what's going to happen to it, I think there would be quite a few people who would be very happy to invest into those kinds of situations.

In general, there are problems with regard to ministerial discretion. There are certain such areas in sections 9(b), 9(g) and 10(e) referring to "such other form that may be prescribed", "the small business is not of a type prescribed by regulations", "any other prescribed business activity." All these things, as was pointed out, are matters that are left in the air. They are up to the discretion of the minister. They again bring in the heavy hand of bureaucracy. If there ever is a heavy bureaucracy, it's the Tory bureaucracy.

The businessman who tries to sort it out finds that he runs around in circles. He really doesn't know where to go or whom to contact. Generally, when he starts contacting the man, he finds he has been moved or has been fired or something of that nature. This is what happens right now. Why carry this

on? I would like to see something a little bit more loose in this situation where this kind of leeway isn't left all over the place and where a decision will be made eventually while the businessman sits and hopes to God that they will decide in his favour. He really wants to know where he is, that all the cards are on the table and that he can go ahead and do what he wants to do. He wants to know what he's dealing with.

The other matter of concern in the bill is the two sevenths of the 30 per cent that is supposed to be held in a trust fund. The banks have a reserve of eight per cent or it might be 11 per cent. It varies from year to year. For the small business developing the SBDC, it could be a problem. Considering the fact that if they are going to have 30 per cent of their funding in a trust fund, they can get 10 per cent at the Province of Ontario Savings Office or some other bank or on short-term notes for probably less, it still is not a good investment if one relates that to present-day inflation rates or to what is possibly available in mortgages at 16 per cent or second mortgages that can go to higher amounts.

That is one argument. They have this large sum that they have to let sit. I understand that the minister is concerned that he has to protect himself so that after the first year they don't all pull out and he's lost his money but they've collected their money and are having holidays down in the Bahamas or in Switzerland with his money. Therefore, he put that into effect, but it creates some difficulties or imposes some restraints on the operation of those corporations.

Then there is the two sevenths that the minister is going to allow them to take up in shares or lend or have as equity in the business. That brings it back to that kind of a bureaucratic hassle where the government says it will look at it and then eventually make a decision. All the investor has to do is sit there and wait and somewhere the minister will decide.

The other factor that is a concern is the 40 per cent that has to be invested that has to go out in the first year of the corporation's operation. Assuming one is starting to set up the corporation, he has got 12 months, it will take a period of time to set it up. The legal work alone will probably take two or three months.

Then to get the various people, if you are going to have some people to tie it together and everything else, is going to take you a few more months. Then you have got possibly six months or less left to go ahead and invest 40 per cent of that portion in a sensible way,

and in the second year you should go up to 70 per cent. In that area, there should be some leeway or some discretion available, but not necessarily ministerial discretion. I think those figures should be changed, and perhaps lessened. In the first year perhaps it should be 25 per cent, in the second year 50 per cent and in the third year 70 per cent, at which point the development corporation has the option to look at the operations. They can make wise decisions and reasonable choices based on a fair amount of research that they are going to do before they do invest. As I said earlier, the people who have the money and who are dealing in large sums of money are not going to take chances, despite the fact that we are going to give them a 30 per cent cushion.

I have to mention the fact that in general the bill is a vague step in the right direction. It has its problems. We will certainly discuss specific paragraphs or items in the bill on the basis of whether some changes are needed, or perhaps the minister can explain many of the points we raised earlier. But I wish to tell the minister that this is not the answer to what the businessmen want out there in the world. There is a reluctance, particularly on the part of the small operators, for them to get involved with the various boardrooms; to get involved with the so-called money men. They look at that as a different world; it's a world that's outside of the circle. It may be closer to people in Toronto, but in Brantford or Cambridge—or even London, for that matter—outside of the world of Toronto, these people do not have the opportunity to travel within these circles or to know the influential people or the people who are in charge; nor do they have the connections as to where they should go.

If the minister were really serious, if he had a real commitment to small business, he would provide expansion of the Ontario Development Corporation, and he would make sure that the Province of Ontario Savings Office became a full-fledged banking institution with some aggressiveness to provide real competition in the banking field. In that way I think he would provide much more assistance, and the small businessmen in Ontario would be a lot happier. Basically, what they want is to be able to walk into a branch of the savings office and have somebody who is prepared to listen to them, who has an understanding and who is prepared to take a chance. They do not want to go through this great big rigmarole that the Treasurer is setting up here. Although it may help some of the larger operations—and by larger I mean manufacturing or other

operations employing 50, 60 or 100 people—it is not going to help the little guy at the bottom. That is one of the areas of concern to myself and, I think, to my party; it is an area that I think the minister does not address himself to by this type of legislation or, for that matter, by anything else that the government has brought in up to this time.

Mr. Acting Speaker: The member for Quinte.

Mr. O'Neil: Thank you, Mr. Speaker.

Mr. Bradley: Where is the Minister of Agriculture and Food (Mr. W. Newman) now?

Mr. O'Neil: I noticed that the minister was going to stand, and maybe I could add my comments to the discussion when he is summing up afterwards.

This morning at caucus I mentioned to the member for London Centre (Mr. Peterson) that I would like to say a few words during the discussion of this bill this evening, and he said to me, "What do you know about it?" I had to say to him, after looking at the bill, "I know very little about it." But I must say to the Treasurer (Mr. F. S. Miller) I may know very little about it, but when I see him turning around to his staff and I hear some of the questions that have been asked by the member for London Centre, I understand a lot of the members in this Legislature must know very little about what the bill means, too.

This means that when this bill goes out the Treasurer is going to get a lot of calls—he mentioned he has had about 500, but those are going to be either from lawyers or from accountants, and he is going to be giving them all kinds of work.

I have to agree with the statement made by the member from London, that unless they have legal minds they are not going to understand it. I don't think the people who drew this bill up for the Treasurer have an understanding of the business world either.

This afternoon in the Legislature I asked the Treasurer a question concerning the Eastern Ontario Development Corporation. At that time one of his comments was, "We ran out of money and that is one of the reasons that we had to turn off the tap. We weren't able to deal with a lot of these applications. We couldn't help out these people in small manufacturing or in small business."

I say to the Treasurer that I would rather have seen a simplified bill of one or two pages that said, "If you put your money with us"—in other words, hand it over to the

Ontario government which in turn hands it over to EODC or the Ontario Development Corporation—"we will give you a higher interest rate for investing with us. We will give you a return on it, and EODC or the Ontario Development Corporation will put it out to the small business people or the small industries throughout this province."

I see the Treasurer shaking his head, but to me that is a heck of a lot simpler.

Hon. F. S. Miller: What about the banks?

Mr. O'Neil: Okay, but the banks aren't going to give them the incentive the Treasurer could give them; they aren't going to give them the lower interest rate.

Hon. F. S. Miller: You want the state to take over.

Mr. O'Neil: Well, let's put it this way. I have more trust in some of the staff who work for EODC or the Ontario Development Corporation than maybe the Treasurer or the officials in his ministry or government have. They are very qualified people, and I am sure that if the Treasurer were to say to the people of this province, "You invest your money with us. Give us this money, and we will give you a higher interest rate in return," it would give him the money he says he ran out of earlier this year. It is because of this these small businesses and these small manufacturing people throughout the whole province are suffering. We need money.

I know the honourable member for Brantford mentioned that we have business people calling us every day. They are looking for money. They can't really get it from the federal people, and they can't get it from the provincial people either because, as I say, the government doesn't have the money to lend, or it has lent it out to the larger corporations.

Why couldn't the ministry staff, at the time the Treasurer was drawing up his budget, have drawn up in one or two pages, something along that line to bring these funds in, to use, to lend out to these people? The Treasurer has the facilities to check out a lot of the credit ratings and to see whether these businesses would be successful if he was to give them some incentive. As I say, this hasn't been done.

Now I don't understand the bill; it is too complicated for me and likely a lot of other people in this province and mainly because, as the member for London Centre mentioned, the Treasurer just won't get applications. It will be like the bill we had last year.

An hon. member: You should have brought in my private member's bill.

Mr. O'Neil: We in eastern Ontario, as well as people from throughout this province, are looking for assistance to our people in small business, whether they be in the business or the manufacturing sector. This bill is not going to give it to them and I worry about that.

Next year, when the Treasurer brings down his budget, nothing really will have been done. We won't have the money in eastern Ontario to help these people, and because of that many jobs will be lost, many new businesses that could have been started or expanded won't be. Many businesses will go out of business because this help is lacking.

And as a small businessman, when something was presented like this from his staff, from his people, the Treasurer should have seen that it was just too complicated, too involved, for the ordinary person to take part. I do feel he is interested, and sincerely interested, in seeing that something is done for this type of people. I do not believe that this is it.

Mr. Eakins: You cut down the tourist industry to seven and a half per cent.

[9:30]

Interjections.

Mr. Laughren: The Treasurer is anxious to respond. I don't understand that; it is not like him.

Mr. Conway: After a long career in the business community, the member for Nickel Belt is about to tell us.

Mr. Laughren: As a matter of fact, I did have a six-year career in the private sector.

Mr. Conway: Tell us all about it.

Mr. Laughren: A very successful career.

Mr. Conway: Six years where, Floyd?

Mr. Laughren: Toronto, Moose Jaw, Vancouver, Thunder Bay, and Winnipeg; I did have to keep on the move.

Mr. Conway: Selling snake oil?

Mr. Van Horne: A used car salesman.

Mr. Sterling: The member never should have gotten up.

Mr. Conway: Who said he got up?

Mr. Laughren: May I say at the beginning, Mr. Speaker, I understand this bill. The reason I understand it is because of the excellent briefing I received from the minister's staff. They were very helpful to us when we went over to find out some of the finer points we did not understand in

the bill. I had a meeting on the weekend with some businessmen in the riding of Nickel Belt who were interested in this bill. It was 300 miles north of Sudbury. As a matter of fact, it was the community where the Minister of Education (Miss Stephenson) keeps wanting to go with me, the fine community of Chapleau. There were some businessmen there who were very interested in forming a small business development corporation and I felt I should have had more expertise on it than I had before I went up there.

The needs of the small business sector are primarily twofold: First, the need for equity capital; and second, the need for management expertise. This bill provides the potential for one of those only, namely the equity capital. I suppose there will be management people, such as consultants, who will assist in formation of these SBDCs and who will, in effect, play two roles: One, to establish the pool of equity capital that can then go out to the small businesses; and two, to provide the expertise or advice to the businesses to which they lend the money. I could see that tying in quite neatly with the pool of equity capital. There is no requirement that this happen, of course, but I could see it would be possible it would do just that.

The member for London Centre (Mr. Peterson) mentioned the need for loans tying in with perhaps a package of assistance to small business and I agree with him.

Mr. Peterson: Excuse me, I must be wrong.

Mr. Laughren: I do understand there is a possibility for loans above the 70 per cent that must be invested in equity in the small business enterprises. I would say, though, that I am concerned that the small businessman who has built up his business will be a little reluctant to divest himself of control, even if it is only 10, 20, or up to 49 per cent. Small businessmen are very reluctant to give up control of even a portion of their business. I can imagine that might be a problem, except for those people who have to give up control. If they cannot get any loans and they cannot get financing from the traditional financial institutions they are going to have to give up some equity participation in their company in order to get financing. I can see where businesses which really do want to expand will do that.

It is strange, is it not, that the greatest free enterprisers in the Tory party are the ones who most undermine that pure free enterprise philosophy of the business com-

munity standing on its own and competing out there, knowing full well that the invisible hand of the marketplace will look after things and the fittest will survive? That is what the Treasurer would have us believe, yet at the same time he brings in a bill which provides a return of 30 per cent right off the top to people who will take a risk. I always thought, in my limited study of economics, that the reason one justified profit was because of the element of risk. I didn't know there was any other justification for profit; the element of risk is what makes profit legitimate. Yet here, the minister is taking away that element. If he keeps it up, he is going to have trouble justifying the profit factor. Then you fellows will be upset, won't you, when he can no longer justify the taking of profits because there is no element of risk left.

I warn the minister that he is going to be undermining his own argument, that the rhetoric in his budget speeches is going to be rather hollow when he has done that to himself. I would just warn the minister of the direction in which he is heading.

The other thing that bothers me is that the Treasurer is always on to us about being free-spending socialists. I don't know what this bill is going to cost, although I'd like to know. What is this bill going to cost? What will that 30 per cent write-off to everyone who puts money into a small business development corporation cost the province of Ontario? Surely, the minister isn't going to stand in his place later and tell us that he has gone into this with his eyes closed, that he has no concept of what it is going to cost?

I understand that the minister has had an enormous number—I think he used the figure 500—of phone calls asking for information about this; and he is not the only one, I have had calls myself.

Mr. Lawlor: He's got a cut-off figure, hasn't he?

Mr. Laughren: He's got a cut-off figure, but he doesn't know what the total cost to Ontario is going to be.

Mr. Lawlor: When he reaches a certain figure he is going to cut it all off.

Mr. Laughren: It's like employment incentive; if it's successful he will cut it off. That's what he did with the job creation—at least that's what his predecessor did a couple of years ago.

Another thing that is bothering me about what the Treasurer is doing is the whole question of dividing up the allocation of assistance in Ontario. He now has the small business development corporation approach, and whether he wants to admit it or not the

hand of government is going to have to be there. Despite the wishes of the member for London Centre, there must be close supervision over this bill, there simply must be. Otherwise I could imagine the kinds of games that are potentially there for investors to play.

My mind isn't capable of knowing what they are, or of knowing the loopholes that would be closed already by his staff, but I can imagine someone investing \$1 million in an SBDC, getting his \$300,000 cheque back and that investment going to a rather successful company which then invests it in another SBDC or in another business enterprise and has a 30 per cent write-down on its profits for that year. I can see this thing building over a number of companies, with basically the same number of people benefiting from it. The Treasurer is going to have to keep a close eye on it; that's why the bill has to be as complex as it is.

Another thing that bothers me is that we now have the Ontario Development Corporation, the Employment Development Fund and the small business development corporations, all with government input. I wonder how they are going to keep them all straight over there. Already there is confusion between the Employment Development Fund and the development corporations. The minister is doing a cut-off and saying above \$250,000 is the Employment Development Fund, below that are the development corporations. He has the staffs of the Ontario Development Corporation running around not knowing who has what responsibility; there is going to be trouble there. In fact, there already is trouble. Perhaps three bureaucracies are being created where before there was one. That is something that the minister would be very quick to condemn us for if we did it; yet he does it himself all in the name of free enterprise. It is a strange contradiction in this minister.

Mr. Peterson: They are very cunning that way.

Mr. Laughren: They are very cunning that way; but they are very contradictory that way too.

The Treasurer, I hope, will respond to some of the questions that have been raised. Perhaps some of the more specific ones can be raised when the bill goes to committee. The Canadian Federation of Independent Businessmen is concerned about some of the things in it; namely, the maximum limit of \$5 million, which is the limit on the size of an SBDC.

There is another thing that bothers them, and I think they have a point. Since the

government is proceeding with this bill and the whole concept of SBDCs anyway, it might want to think about the requirement that at the end of the first year 40 per cent of the investment in SBDCs must be out there in equity in businesses. At the end of the second year, 70 per cent must be invested in small businesses. The ministry might think about changing that so that it's escalated over a four-year period rather than two years. Let it grow from 25 per cent, 50, 75, 100 or whatever, in specific numbers. There may be a problem by the end of the second year getting 70 per cent of the money in the SBDC out there into the small business sector. The minister might want to think about changing that after he has seen it in operation awhile.

My own suspicion is that a year from now there will be a batch of amendments before this chamber because of some of the problems that are difficult to anticipate. I don't think that necessarily means it's wrong, but I do think amendments will be before us within the year, and that will be one of them.

Mr. Haggerty: Mr. Speaker, I want to rise and speak on Bill 49 in support of my colleague from London Centre in his comments and reservations. I notice section 36 of the bill, which is my concern, repeals the Venture Investment Corporations Registration Act. If I recall correctly, that piece of legislation was brought in in 1977-1978 was when it was supposed to come into effect, I believe. The purpose of that act was to put new life into and to assist small business corporations. The same, I suppose, is the intent of this bill.

But looking at that bill its intent then was to spur the economy. An investment corporation investing in a venture would be able to deduct an amount equal to 250 per cent of its investment in a VIC at 12 per cent. In computing the income tax, the deduction is worth 30 per cent in terms of the tax rate to corporations; instead of 12 per cent which is the normal corporate rate of any kind of deduction in computing income they could actually claim a 30 per cent tax rate for their investment in the VIC. The bill before us—the Small Business Development Corporations Act—is similar legislation, but it has been changed around a little bit to make it look better to investors who want to invest in this enterprising proposal.

Along with my colleague from London Centre, I am concerned about the matter of the limits applied in the bill—the minimum of \$250,000 and the maximum of \$5 million; that bothers me to some extent too.

In speaking on this matter as critic of revenue back in 1977 I was quoting from the brief of the Association of Canadian Ven-

ture Capital Companies, which was presented on June 6, 1976. It said: "They should be encouraging a greater flow of capital to small- and medium-sized businesses, which requires changes in the present income tax structure. Corporations should be permitted to deduct from taxable income a certain percentage of their annual gross payroll—it is suggested between 10 to 15 per cent. If such funds are given to an employees' stock ownership trust used for the purchase of the corporation's common stock, this would improve the liquidity in private company share transactions and provide an alternative way of investment in small companies. It would enhance investment for such companies and provide the opportunity for the average person in industry to be a free enterpriser and key management to realize on their ownership interest." I think that was a good sound proposal and the government should perhaps move in this area.

[9:45]

When we look at the economy of Ontario and the rest of Canada and compare it to the European economy, particularly Germany, we find a similar proposal in their manufacturing process. Employees do have some input in financing a joint partnership with industry, government and the employees themselves.

I look at the capital invested in banks and personal savings. I can recall reading, I think it was from the Canadian Imperial Bank of Commerce's yearly statement which provided an outlook on the Canadian economy for 1980 or 1979. I believe one of their quotes was there is \$47 billion in savings in banks across Canada. Fifty per cent of that is generated in the province of Ontario. I suggest to the minister that here is an area we should be looking at to give a break to the small person who wants to invest in Ontario or invest in Canada. This is an area that should be tapped.

We look to our neighbours to the south, the United States. They have such a program for investment purposes to keep their economy on an even keel and to encourage new investment. They encourage the small investor to invest in the government for funding certain projects, and in fact even in small businesses. They are given a certain tax concession for their investment at a fair interest rate. For a period of maybe 10 years, there are no taxes on it. I suggest this is an area at which this government should be looking.

I look at the grant given to the automobile industry, the Ford Motor Company of Canada Limited. It was a substantial grant. It

will create jobs; but in the long run what investment is there in it for the province of Ontario, besides perhaps corporation taxes? I suggest if the government were to invest in any more private sector industry we should become a shareholder in a sense, we should have some dividend return on taxpayers' money in this area.

Mr. Swart: You sound like a socialist.

Mr. Haggerty: No, that is just good, sound financial planning, I think. I have often thought if Mrs. Haggerty were in the Legislature she could run the government a lot better than any of us could.

I think it is good, sound planning. That is one of the credits I can give the Social Credit philosophy in government management. That is one of the reasons they have some good, sound planning in their philosophy.

The minister is giving away tax money. That is what it is. It is a tax deferment for large investors. As the member for London Centre (Mr. Peterson) said, it is the big investor who is going to reap the benefits in this particular program I suggest there are areas we should be looking at to encourage the average person in the province of Ontario to become a responsible citizen and to say: "I do have some obligation to create further employment in the province of Ontario."

With those few comments, I think I can support the bill in principle and hope you have much better success with this proposal than you had with the Venture Investment Corporations Registration Act. We on this side do support it in principle.

Hon. F. S. Miller: Mr. Speaker, the preamble I used in introducing the bill started with the statement that I would be glad to accept any reasonable amendments and that I would be pleased to see this bill adjusted as time went on or as experience proved it necessary. I thought I should say that in advance, because I've not tried to say this is right and I'm not trying to say this won't be amended or experience won't require some change.

Of all the things said and the comments made, the member for London Centre was perhaps kindest to me when he didn't think he was being kind. He said: "I think you're dreaming." Yes, I guess I am.

Mr. Peterson: Smoking Muskoka grass. That's what I said.

Hon. F. S. Miller: Yes, maybe a little bit of grass or something caught up in my nostrils accidentally, but I have dreams. If I was as pessimistic as the honourable member is about the bill, I'd never invest a nickel in

anything but a Canada Savings Bond. I'm saying to him that there are a lot of people who dream. There are a lot of people who are looking for some opportunity and I'm simply trying to find one route to assist them.

A number of comments were made in general by other speakers who said: "Do more for the ODCs. Do more for this or do more for that." None of those things is excluded by this bill.

Mr. O'Neil: You don't have any money there.

Hon. F. S. Miller: I'll get on to that later on. We're talking about this bill tonight. The honourable member started out by saying federal government co-operation is necessary after May 22 with this kind of bill. It would be nice to have federal paralleling of measures; I agree completely. It's something one can try for. If they paralleled our measures we'd probably be able to streamline a number of conditions and simplify things.

Mr. Peterson: That is why I was so critical.

Hon. F. S. Miller: Yes. I can only say that whether we're the government, whether his party over there are the government, or God forbid whether members of the other party are the government, one way or another, if this turns out to be—

Mr. Makarchuk: The Lord works in strange ways, don't forget that.

Hon. F. S. Miller: Yes, I realize that.

Mr. Lawlor: You seem to think that is improvidential.

Hon. F. S. Miller: Improvidential? It would be disastrous.

Mr. Lawlor: Don't be such a pessimist.

Hon. F. S. Miller: In any case, there will be need for us to try to convince them, perhaps through the very success of the thing, that there should be parallel federal tax legislation to assist it to be more profitable. That was one of the basic reasons VICs never got off the ground I think the honourable member would agree. Apart from other structural problems, there wasn't a federal paralleling of the tax credit.

Mr. Peterson: You knew that at the beginning. I am saying there is more you could have done with what you had.

Hon. F. S. Miller: No argument, please. I'm not trying to say the member is wrong. What I'm trying to put across purely through this discussion is that there are some bills a minister brings into the House of which he says: "We've done all our homework. There's absolutely nothing more

to be changed. Our pride and our reputation rests with this. If you put in an amendment, we have to withdraw the bill." This is not of that nature.

Mr. Peterson: You are getting smart slowly but surely.

Hon. F. S. Miller: The question is what kind of funds will be available. As Mr. Parizeau said in his budget when he introduced his credit for purchase of shares in companies with their head offices in the province of Quebec: "I hope this costs me a lot because if it costs me a lot it's a success. I don't know how much to put in my budget because I don't know if it will be a success." I'm now quoting Mr. Parizeau.

Mr. Peterson: It was a \$15,000 limit but it turned out to be—

Mr. Deputy Speaker: Order.

Hon. F. S. Miller: In any case, he was talking about the aggregate. I'm only saying in our minds we were using figures between \$10 million and \$20 million as a possible cost of this this year, and if necessary the Employment Development Fund could be used as a source of that money.

The Canadian Federation of Independent Business deserves a lot of credit. They came into my prebudget hearings and made a number of comments to me. I'm sure they supported a number of the thoughts in it.

The honourable member tells me it will be hard to get suitable investments for SBDCs to find. I hope that is not true. I would look around my area and I would say that many potential investments lie there. He talked about minority shareholding. He said he wouldn't put his money into a company in which he doesn't have a control. When one buys Bell Telephone shares one is trusting somebody.

Mr. Peterson: Excuse me. Can I raise a point of privilege?

Mr. Deputy Speaker: What's your point of privilege?

Mr. Peterson: I didn't say either one of those things. If the minister is going to quote me, I would appreciate it if he would quote me exactly. If I could clear them up, I did not say it would be hard to find people to invest in; I said it would be hard to find investors.

Hon. F. S. Miller: The member said it would be hard to flow the money through.

Mr. Peterson: I said it would be hard to find people who wanted to run the money through that vehicle. That's what I said.

Hon. F. S. Miller: Correct me if I am wrong. I thought the member said it would

not be too difficult to find people who would put money in SBDCs, but he is reasonably sure it would be difficult for the SBDCs in turn to find something to put their money in. That's the way I heard him talking. The record will show which one of us is right and I interpret that as meaning that there wouldn't be places for people to invest that money. That's all I was saying. Okay?

Mr. Peterson: I said no incentive to go that way into a high risk proposition.

Hon. F. S. Miller: Am I correct that he said that he would have some reluctance to put his money into a business he didn't control?

Mr. Peterson: Private business, not public business.

Hon. F. S. Miller: Private business, sure. I am only saying I have tried to point out—and maybe if I make my point; I am not trying to criticize, I am trying to make a point.

Mr. Peterson: Feel free.

Mr. F. S. Miller: I don't do that. The member knows that. That's his job.

Because someone has a minority, it doesn't mean someone else has a majority. The assumption that because an SBDC can only own 49 per cent means someone has 51 per cent isn't correct. No one person need control any company, but it can mean that a person can retain control of their company if they see fit. I think both of those parts are true. There can be two SBDCs owning up to 49 per cent and only two per cent in somebody else's shares. This can be in shares that can be redeemed under certain conditions, and these things can all be done to protect the person. Frankly, when we thought about all the constraints, or all the things one could do to put conditions on the shares—the kind of shares, the agreement, the management agreements and so on that were talked about—we came to the conclusion we were best not to interfere in the marketplace with those things but rather leave those kinds of agreements to be made between the investor and the company receiving the benefit, until we had some chance at least to see it working.

If the 100 employee limit is too low, as I think the member implied it might be, again I am not bound to it. It is something we could easily adjust as experience shows.

I have some notes on taxes. My understanding is that these corporations are taxed, as any other corporation, for investments.

Mr. Peterson: That was my point; that is what I said.

Hon. F. S. Miller: I am sorry. If I misunderstood, I was reading it the wrong way.

Mr. Peterson: Double taxation.

Hon. F. S. Miller: My notes here, and I have copious notes, say this: that if an SBDC is a private corporation and holds 10 per cent or more of the shares of the company, then they are considered to be a connected corporation and aren't taxed when the money flows in. Is that correct? So that you would have that advantage, and in most cases I would think the SBDC would own at least 10 per cent of the shares.

Mr. Peterson: Dividends flow tax free.

Hon. F. S. Miller: I don't pretend to be an expert. My staff said that was covered; I am quite willing to look at it but I believe that—

Mr. Peterson: Dividends flow tax free, but my point is there are different forms of income.

Hon. F. S. Miller: Oh yes, but frankly, the very reason dividends flow tax free is because tax is paid on them but interest isn't; therefore if interest comes in it should be taxed. I think we both agree on that. Correct?

Mr. Peterson: Not twice.

Hon. F. S. Miller: I don't understand where it is taxed twice.

Mr. Peterson: In the SBDC's hands and the investor's hands.

Hon. F. S. Miller: No, no; that's not true because—

Mr. Deputy Speaker: Order. I would like to remind the honourable members that we are completing second reading of this bill; if it's the wish of the House for it to go to committee they will have ample time to ask further questions. Would the honourable minister continue?

Mr. T. P. Reid: Maybe it's the last time to get the answers.

Hon. F. S. Miller: I was intrigued that at least two Liberal members talked about their alternative. I am not saying the alternative may not work, but I was intrigued that it was a variation of the Canadian Development Corporation or some such thing, where they were suggesting that investors put their money in the government and allow the government to make investments. I am not being facetious when I say I found that surprising from a party that I have learned to respect as being as free enterprise as the Liberals are. I really don't have that kind of confi-

dence in government-run companies to make investments for me and I don't think many other investors would either.

Mr. T. P. Reid: Why are you taxing us at the rate you are? What do you call that?

Hon. F. S. Miller: Listen, I was quiet all night long.

Mr. Sterling: The ODC is a loan corporation.

[10:00]

Hon. F. S. Miller: You are telling me that the figure of \$250,000 is too high and the \$5 million too low. Again, I put these in after a great deal of thought and discussion. I believe they are reasonable. I am not unwilling to change them even now, or better still after some experience has shown that they should be changed.

The other thing that two or three speakers talked about was the 40 per cent and 70 per cent requirements in the first and second years. There is a clause in the bill that does allow for exemption if those levels are not met; if we find consistently they are not being met, we can take steps. I find no trouble in extending those things that experience shows us should be changed.

If there is one thing I learned as an engineer, it is this: When you design your pilot, you start it out according to the design and then make adjustments as the experience shows those adjustments are needed. We could sit here all night and argue about the merits of whether \$125,000, \$5,000 or, as my staff would have believed, \$750,000 is the required minimum amount of money in these companies before they will be viable, but none of us will be sure until we get out in the marketplace.

I think I will wait until we get to clause-by-clause consideration rather than answer the member's other points now; I will talk about the specific sections when we get to them. He mentioned two or three specific ones.

The member for Brantford (Mr. Makarchuk) talked about the possibility that management agreements could be made, as well as equity being purchased. Of course they can be made, but in all kinds of agreements where one is borrowing money you may be required to enter into agreements or covenants. Strangely enough, we would see the right of a lender or a purchaser of equity to offer management expertise as one of the pluses not one of the minuses—of bringing the SBDC into contact with many of the small companies. It is to be hoped that they will do it. But if you have ever got into the hands of a bank when you are in trouble, you very

often have a management partner. If you have ever been dealing with a big corporation like General Motors, you have a partner, whether you want it or not—and they may not even have lent you any money in the process.

I repeat, for the member for Brant, the fact that we are creating SBDCs does not rule out many of the other forms of governmental involvement that he was talking about—the Ontario Development Corporation, et cetera.

Somewhere along the line the member for Brant mentioned the trust account, the 30 per cent, and said it was something like a bank reserve. Well, the money a bank puts on reserve with the Bank of Canada is in effect to guarantee that the deposits are protected by some liquid assets. Also, they are a very useful tool in managing the money supply, as I understand it.

In this case, the 30 per cent clause—which is diminished, as the member said, once the 70 per cent investment is made—is there strictly to make sure we do not run into some con artists who take the 30 per cent and disappear without making any eligible investments. I think he would agree we need that kind of protection until we have seen that—

Mr. Makarchuk: I can understand the protection, but is it not a large sum to have lying about?

Hon. F. S. Miller: Yes. But it is only until such time as that 70 per cent is purchased. If a company has the ability to invest the whole 100 per cent of its money right off the bat, it does not have to be lying around. So that, I think, overcomes the member's basic problem.

I must say the member for Quinte—that is you, isn't it?

Mr. O'Neil: It sure is.

Mr. Roy: And a great member at that. You should look at him closely. He will be around here a long time—even after you are gone.

Hon. F. S. Miller: Well, that is not too hard. There are days when I think I should go home and form an SBDC and invest in Muskoka.

Mr. Sterling: I'll go into partnership with you.

Hon. F. S. Miller: That is one of my backbenchers ready to take my place. That is what keeps us ministers on our toes in the front ranks of this government.

Mr. T. P. Reid: That is the only reason you are there: he is no better than you are.

Hon. F. S. Miller: We have so many competent young men like him—not only a law-

yer, but an engineer—ready to take the place of the poor old engineer who is fighting with his antlers to retain his position here in the front row.

Mr. Conway: The member for Ottawa South will look after his ambition.

Mr. Deputy Speaker: Now back to Bill 49.

Hon. F. S. Miller: I listened to a lot of guff tonight too. I have to have a chance once in a while.

Interjections.

Hon. F. S. Miller: Until the member for Quinte opened his mouth tonight I always thought of him as probably a little misdirected in that party over there, but essentially a Conservative, essentially a person of sound business judgement. Then tonight I heard him tell me he would rather have government act as the intermediary than banks—rather have government act as the intermediary than small business corporations dealing directly with the potential investors.

Interjections.

Hon. F. S. Miller: When they see that in Quinte and realize he has sold out to the NDP—that he is following the socialist dogma—man, that is going to be a tough day in Quinte. Belleville, of all places, realizing they have elected a socialist acting as a capitalist. Isn't that right?

Mr. O'Neil: They elected a man of the people, a man who will fight for the small businessman and the small manufacturers.

Mr. Roy: They elected a flexible Liberal.

Hon. F. S. Miller: A flexible Liberal. You guys are so flexible one could make pretzels out of you.

Mr. O'Neil: You are way above the ordinary person.

Interjections.

Hon. F. S. Miller: Until you are half baked you are not stiff. No, no. Let me see—that's a pretzel.

Interjections.

Mr. Roy: Only the Treasurer caught that joke.

Hon. F. S. Miller: I have a mind that understands my own humour.

Interjections.

Hon. F. S. Miller: I think I am really finished, Mr. Speaker. I could say much more but I think all the important points have been touched. I will be moving into committee. The House leader may direct me to go there now.

I take pleasure in moving second reading of the bill.

Mr. Nixon: That is not the direction he has in mind.

Motion agreed to.

Ordered for committee of the whole House.

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM AMENDMENT ACT

Hon. F. S. Miller moved second reading of Bill 31, An Act to amend the Ontario Municipal Employees Retirement System Act.

Mr. Deputy Speaker: Does the honourable minister have an opening statement?

Hon. F. S. Miller: Mr. Speaker, all three bills are housekeeping bills. I am quite prepared to discuss any parts of them the members wish, but they are minor in nature. I will only talk to this bill for a second. I have one bill that is historic, if we get to it tonight. Bill 33 is historic. We will keep the members in suspense until we get to it.

Mr. Peterson: Does the Treasurer have a statement on Bill 31?

Hon. F. S. Miller: No, I don't have a statement. I can read my notes to you.

Mr. Peterson: I will read the notes myself.

I want to say that I just think this is a terrific bill. I want to congratulate the minister because I have never been more fully in support of him on any previous occasion. He's a wonderful fellow and—

Mr. T. P. Reid: He is going to read the bill now!

Mr. Peterson: He probably has made a mistake. I am not sure he understands it, Mr. Speaker, but it is a very progressive piece of legislation.

What this bill does is allow the government to put more public pension funds—funds from the Ontario Municipal Employees Retirement System, i.e. OMERS—into the private marketplace. That is essentially what it is about.

Members will recall the experience of 1975 when the government originally liberated some of those pension funds and put \$100 million out into the marketplace and generated a very high rate of return. As I recall in the first year the rate of return was 10½ per cent. For three years in a row they generated over a 10 per cent return on that fund. A very excellent performance for a public fund.

What this allows us to do in some respects at least, is to take this money away from government borrowings and put it back into the private marketplace where it belongs. Not only is it generating a higher rate

of return, i.e. lessening the unfunded liabilities, but also it is building up capital stock in this country. People who are looking ahead in this country realize we are going to have to put a much higher percentage of our gross national product into savings, be they forced or unforced, in order to build the capital stock for this country; to build the energy projects, transportation and things like that. This allows some latitude to the government to increase the amount of money they can put in the private marketplace.

I have said before on many occasions, and I think I'll say it again, Mr. Speaker, that probably the greatest single corruption of government finances—in the Davis-McKeough-Miller and White regime—is through availability of all those internally-generated pension funds from which to spend. They have spent almost every available penny, every available year, to increase the deficit on an annual basis.

It has been a tragedy and a corruption of the financing practices of this province. Had that money not been available in the late 1960s when a number of these plans were created, I suggest respectfully we would not be in the deficit position we are in in this province today. At least here we have shown a progressive move. I would like to see the same thing done with the teachers' superannuation fund, from which the government borrowed, as I recall off the top of my head, about \$554 million this year. I may be wrong; I may be out \$100 million. They are borrowing another \$980 million from the Canada Pension Plan, another source of easy money. They have no appreciation of what is going to happen with it in the future.

Here is a glimmering of hope for this government. They are, presumably, going to put this in the hands of private fund managers. They are going to generate a higher rate of return. As a result, we have probably the best administered retirement fund in this government in the Ontario Municipal Employees Retirement System. I congratulate the administrators of that particular fund.

It doesn't have the big unfunded liability of the teachers' superannuation fund. The unfunded liability there is close to \$1.6 billion, on the latest actuarial notes taken in 1977. The latest actuarial review was really in 1975 when they had an unfunded liability of \$1.4 billion. Had the teachers' superannuation fund been liberated and been loaned out in the private marketplace at competitive rates of interest, I respectfully submit the unfunded liability would have been far less. There would have been far

more money in that fund, the teachers' pensions would have been more secure from that point of view; and more interestingly, we would not have to dip into the taxpayers' pockets in order to make up that unfunded liability over a period of years.

We are going to find that all of our children, the children of those people in this House and of all the people in this province, are going to have to pay for the legal commitments created by this government. It is a tragic situation.

I have talked about this question so many times I am blue in the face from it. If they had gone to the marketplace they would have been more responsible. I am glad to see it with OMERS; it is a progressive move. The fund is well managed; they have good managers from outside as well as inside government. Interestingly enough, this is not an indexed fund. The OMERS people have not indexed that fund, although historically there have been periodic adjustments. They have kept that fund, for a combination of reasons, in good control. It is well managed, competitive, and they are serving not only the taxpayers but they are serving the retirees fairly well in the circumstances.

By comparison, we see the dismal shape of the teachers' superannuation fund, which the government has raped continually over a period of years, paying below market rates. Twenty-eight per cent of that fund, and at the end of this year it will be about \$3.5 billion, is returning six per cent. Can you believe that, Mr. Speaker? The return is six per cent. You can generate almost double that in the marketplace today. This is what is happening.

The former Minister of Education (Mr. Wells), who now has the Intergovernmental Affairs portfolio, had major reesponsibility for the disaster of that fund. He has left the government carrying the can and has now gone on to wreak havoc with other levels of government, hopefully not ours anymore.

Hon. Mr. Wells: That is not true.

[10:15]

Mr. Peterson: I like this act. I compliment the minister on it. I assume it was his idea. If it isn't, then let him take credit anyway because it's probably the only thing he's done so far that's particularly outstanding. We support it with enthusiasm and urge him, as part of the whole pension reform process and cleaning up the borrowing habits of this province, to adopt the same posture and stature with the other funds under his control.

Mr. Lawlor: After that speech the minister can withdraw the bill.

Mr. Peterson: Thank you, Mr. Speaker.

Mr. Laughren: Mr. Speaker, I never thought I would see the day the Treasurer would stand up and say he was bringing in a housekeeping bill and the member for London Centre would say it was a historic bill and provoke me to lead a revolt and divide on a housekeeping bill. That's exactly what I feel like doing after that incredible speech by the member for London Centre.

Mr. Mackenzie: But we are going to support it.

Mr. Laughren: Surely there is nothing wrong with public sector pension funds being used for the good of the public. The money was going to have to come from some place. The member for London Centre would take it from taxes, I presume. I never heard such a silly speech in my life.

Mr. Conway: Did you hear Cassidy Saturday night? On chickens and wieners?

Mr. Laughren: The use of public pension funds is not something that should be determined entirely by the private sector. That's not exactly what we would regard as responsible pension fund management.

I regard this, as the Treasurer did, as a housekeeping bill and I was astounded to hear the accolades from the member for London Centre.

Mr. Roy: He's an objective member.

Mr. Laughren: We know the contributors to this fund wish, of course, that they would have total say over what use was made of the fund.

The other point I wanted to make was that in section 2 of the bill, since we're not going to committee I presume, it does indicate that an attachment can be made to recipients of the fund for support payments. That's something not only we think is right but the people who pay into it are in general agreement with as well. So we have no hesitation in supporting the bill.

Motion agreed to.

Third reading also agreed to on motion.

AUDIT AMENDMENT ACT

Hon. F. S. Miller moved second reading of Bill 32, An Act to amend the Audit Act, 1977.

Mr. T. P. Reid: Mr. Speaker, before I make my small and humble contribution, I wonder if, unlike the last bill, the Treasurer could explain why we're amending the

Audit Act which we passed in 1977, just to see if he knows what he is talking about.

Hon. F. S. Miller: Mr. Speaker, of course I know what I'm talking about. This was really to catch certain crown agencies or corporations which had not been properly defined for the audit functions, and therefore the auditors did not feel they had the statutory right to go in and make certain requirements of those organizations. We are now including them.

Mr. T. P. Reid: Which ones were those?

Hon. F. S. Miller: They are the Clarke Institute of Psychiatry, the Ontario Cancer Institute, the Ontario Medical Health Foundation, the Ontario Parkway Commission and the Teachers' Superannuation Commission.

Mr. T. P. Reid: Mr. Speaker, the reason this bill is before us is somewhat as the minister outlined. I was impressed that he knew what this bill was about, unlike the last one.

The fact remains this bill was before us for the simple reason the auditor went in to have a look at some of the books of these crown agencies and the agencies said to the provincial auditor of Ontario, "Get lost; you don't have the legislative authority to look into the financial accounts of this crown agency."

When I heard that in the first instance, I found it almost dumbfounding that an agency of this government, receiving a subsidy, grant or whatever the government of the day wants to call it—and, because of its particular bent, it prefers to call it something else—should say to the provincial auditor, after we had a thorough debate in 1977 which made the Audit Act, based on the federal act, one of the most progressive and comprehensive acts in Ontario, "Look, you have no legislative authority here." That is bewildering but quite in line with the fact that this government, along with the federal government and almost every government in Canada, has lost control of the public purse. Control of the moneys being given to these crown agencies, boards and commissions has been lost, in this case, by the provincial government, without any responsibility or accountability.

Hon. Mr. Welch: Control is in the Legislature. Don't be blaming the government; the Legislature has control.

Mr. T. P. Reid: Control is not in the Legislature, I say with due respect to the government House leader. A former minister of the crown, the member for Carleton

(Mr. Handleman), was quoted in the *Globe and Mail* as saying he was disappointed that the public accounts committee did not deal at length and in detail with the estimates or the spending of the Liquor Control Board of Ontario and that there was no accountability for the funds that were being spent and administered by that crown agency.

Mr. Conway: And the hosing they were giving the rest of us.

Mr. T. P. Reid: He did not really say that.

In view of the fact that the profit the province realized from the LCBO in the past year was \$334 million and that the Treasurer has decreed in the next year it will be more than \$400 million, it was very startling that the former Minister of Consumer and Commercial Relations would get up and say, "I was the minister and I didn't know what the hell was going on there." They are dealing with that kind of money, and yet one of those agencies had the temerity to say to the auditor: "You have no business in here. You can't ask us what we are doing. Why should we report to you what's going on?"

I would like to refer to the former minister for a moment. I will not go over the former minister's remarks about how he felt when he was the minister. As the minister of the crown—never mind as a member of the opposition or as a member of the public—as the minister he could not find out what was the relationship or the responsibility or the accountability between that particular board and the government of Ontario, even though we are dealing in a profit of \$334 million, never mind the expenditures and everything else.

The Liquor Control Board is the most successful business corporation in Ontario, given its assets and everything else. Yet the then minister knew nothing about it.

Mr. Speaker, I recall to your mind the report of the Lambert commission, the thick book dealing with responsibility and accountability of taxpayers' money and asking who is responsible and where is the accountability?

Mr. Sterling: The public accounts committee.

Mr. T. P. Reid: It is not their responsibility. The public accounts committee has only undertaken in the last few weeks to deal with agencies, boards and commissions because the government of the day has lost control, has lost any idea of what's going on with those vast sums of money.

Applause.

Mr. T. P. Reid: Never mind the money that's given to them for operating grants or subsidies, but in the money they are dealing with and the money they are bringing in. They have no idea and they are condemned by the words out of the mouth of an ex-minister of theirs.

I was shocked, and I've seen a lot of hypocrisy in this Legislature—

Mr. Peterson: I've done a little myself.

Mr. T. P. Reid: The member for London Centre is speaking for himself, of course. But when the present Chairman of Management Board (Mr. McCague) got up with that pious statement about the Lambert commission in Ottawa, and he said, "There are 164 recommendations how we can give back responsibility and accountability to the House of Commons," the minister here got up and said—

Interjection.

Mr. T. P. Reid: Robert, you would know better than I. It's not the Pharisee. I'll find this out on June 9, I suppose, in these—

Hon. F. S. Miller: Is it June 9, I thought it was June 6.

Mr. T. P. Reid: Well you see, Frank, you're not right. The Treasurer has no head for figures at all except the wrong kind, so we won't we go into that.

Mr. Conway: June 6 is D-Day.

Mr. T. P. Reid: But the piousness and the platitudes of the Chairman of Management Board who got up and said, "Those 164 recommendations—" Well, he said, in his statement—and I won't repeat it because that's against the rules—"We already have brought in most of those controls in the province of Ontario and isn't it a shame that our federal brethren, with all the large civil service they have, don't have the kind of controls we have in the province of Ontario?"

Interjections.

Mr. T. P. Reid: I mean, really, I was so astounded and dumbfounded that I was dumb in the sense that I was speechless, that the Chairman of Management Board, who should know better than anyone else that this government as well as the one in Ottawa has lost control over the public purse—

Mr. Ashe: That's the federal government.

Mr. T. P. Reid: —that the control of estimates in the province of Ontario is a sham; and that this government has no control over that myriad of agencies, boards and commissions that this government has set up, should say to this House. "We have much better control and we're in control and we know

who is responsible, and we know who is accountable."

I'll tell the minister—well, I won't tell him what we'd say in the Rainy River district about that, but we have a large farming area and when I go on a farmer's farm, he says, "Pat, don't step over there. Don't step in the hazunga." Well I'll tell the Treasurer that statement was hazunga because he and his colleagues over there have lost control. They don't know who is responsible and they don't know who is accountable.

I've spent a couple of years on public accounts attempting to upgrade that committee with one view in mind—that we can find somewhere where we can say to the taxpayers of Ontario, because that's what it comes down to, "Look, we know who is responsible for the waste of money. We can pinpoint the persons who messed that up. We know who is accountable for what's gone on."

But I'll tell you, Mr. Speaker, we cannot do that because we have the people come before us week after week and they say, "We're not responsible. I'm not accountable." The minister should hear all these chairman of royal commissions, from Judy LaMarsh, who got up there and said, "God, I don't know anything about government spending. Do you mean there's limits? Do you mean you have to account for this sort of thing?"

We had Chief Justice Hartt who said, "They appointed me to the royal commission on the northern environment. I didn't know anything about Indians." I said to him, "That was a very expensive education on the part of the province of Ontario." But the point remains, you cannot pinpoint the fault to this government. I don't blame the cabinet for everything; these are very highly paid civil servants. But really, who makes the mistakes and who pays for them? We don't know who is responsible for the mistakes, we don't know who is accountable.

I have made speeches on ministerial accountability. Even I don't expect the Treasurer, who didn't know what was in the bill before this one, to know what's going on in his ministry. Given his particular talents and competence we expect even less than that from him; but the point remains we have very highly paid civil servants at the senior and middle management level who are not willing to accept accountability and responsibility for the funds they are administering.

Mr. Speaker: Does the honourable member find this a convenient point to adjourn the debate?

Mr. T. P. Reid: Actually I wouldn't, Mr. Speaker, but I will accept your admonition and I will now adjourn the debate.

On motion by Mr. T. P. Reid, the debate was adjourned.

The House adjourned at 10:30 p.m.

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No. 49

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, May 17, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 17, 1979

The House met at 2:02 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

DEATH OF DORA MAVOR MOORE

Hon. Mr. Baetz: Mr. Speaker, I would like to take a moment of the House's time to pay tribute to a remarkable woman who virtually created Canadian stage drama, Dora Mavor Moore, who died on Monday at the age of 91.

Mrs. Moore was an actress who felt that no one should be denied the pleasure of live theatre, and she set about activating Canadian theatre from her base in Toronto shortly after World War Two. She covered all bases: She launched a theatre company. She encouraged actors, cajoled directors and inspired playwrights. She played a part in establishing the Stratford festival in 1953, and she influenced the establishment of theatres across Canada.

Her legacy in terms of Canadian theatre is so wide as to defy measurement. What can be isolated is her specific legacy in the person of her son, playwright and actor Mavor Moore. Mr. Moore was recently appointed head of the Canada Council. There is also her granddaughter Terry Moore, a popular television and film actress.

The lesson of Mrs. Moore's impact on Canadian life is simple: It is not only forces that mould events in history; it is individuals. One person who set those forces in motion until they reached the dimensions which even the originator would never have dreamed possible was Mrs. Moore. Every Canadian with a concern for the cultural life of this country owes her a debt. That debt can best be acquitted by continuing the work she began and fostering in any way we can the development of the theatre and all the performing arts in Ontario and in Canada.

BUS INSPECTION PROGRAM

Hon. Mr. Snow: Mr. Speaker, today I wish to announce that a new mandatory bus inspection program will become effective in Ontario on October 31, 1979.

A recent survey by my ministry has shown that the great majority of buses operating on provincial streets and highways are in good mechanical condition. But to ensure that all buses are safe, we are establishing a mandatory bus inspection program. I would like to outline briefly this new inspection program for the members. It's based on our highly successful school bus inspection program, which is one of the most comprehensive in North America.

Under the new regulations, a bus means any motor vehicle with dual wheels or tandem rear axles designed to carry 10 or more passengers, other than vehicles fitted with a truck or delivery body. It includes all buses operated by or under contract to a municipality or other transit authority; buses licensed as public vehicles under the Public Vehicles Act, and vehicles used for the transportation for compensation of persons in wheelchairs, regardless of the designed seating capacity of the vehicles.

In effect, the new inspection program covers nearly all bus categories, including buses privately owned and operated by colleges and universities, church and service groups, sports organizations and industry.

Incidentally, we have discussed our new regulations with several other jurisdictions, including New York state, which has the most stringent, universally accepted bus inspection program in the United States. I am pleased to report that they have all responded favourably to our new regulations. I am confident we will be able to negotiate reciprocal agreements with out-of-province authorities, thereby allowing Ontario buses to travel free and clear in other jurisdictions.

The inspections must be carried out by a registered licensed mechanic at one of the 9,000 licensed inspection stations in the province or at licensed, company-owned facilities. Owners of vehicles which meet the required standards will be issued two stickers: a safety inspection sticker valid for six months and a special brake inspection sticker valid for 12 months. Both of these stickers must be prominently displayed in full public view on the inner surface of the windshield.

Ministry inspectors will carry out random audit inspections of the 8,000 vehicles in-

cluded in the program to ensure bus operators comply with the new regulations. Buses carrying passengers after October 31 of this year without valid safety and brake inspection stickers will be removed from service until such time as inspections are carried out.

In conclusion, the new regulations will effectively bring all Ontario buses under a regular safety inspection program, thus providing additional safety for Ontario travellers.

ROAD DEATHS

Hon. Mr. Snow: Mr. Speaker, I regret very much having to give this second statement, but I would like to bring to the attention of the members of the House the most recent statistics concerning motor vehicle accidents in our province. It is with a certain degree of alarm that I present them because they indicate that in the initial three months of this year driver-passenger fatalities have climbed a tragic 76.5 per cent.

I am alarmed because, in cold figures, 126 drivers and passengers died through the first three months of 1978 and 211 have been killed in the corresponding period of 1979.

In total, 270 people were killed in 47,329 accidents on Ontario highways and streets in the first three months of 1979, as against 198 in the first three months of 1978.

These grim statistics, particularly among drivers and passengers, represent a complete turnaround when they are related to the figures compiled since seatbelt legislation and lower speed limits came into effect on January 1, 1976. The reason for this complete and sudden turnaround is something that my ministry staff cannot give with any degree of accuracy. We do know, however, that accident-related figures are often cyclical in nature, meaning that three month's figures don't indicate a hard-and-fast trend for the entire year, but that's not very consoling when one considers the horrendous loss of life.

We are also aware that multiple-death accidents are becoming more numerous; that is, as many as six or eight people have died in a single accident. What kind of precise figures these kinds of accidents represent, we still don't know, but our collision data people are compiling them for further analysis.

Why so many multiple-death accidents are occurring is a key question. So far, we have only some inconclusive evidence that as the cost of gasoline climbs, there is a corresponding climb in the number of people per vehicle, particularly when vehicles are used for recreational purposes.

One thing is obvious and it is that these grim statistics point to Ontario's drivers as the culprits, especially when one considers that cars and trucks are generally safer than ever before—with collapsible steering columns, padded dashboards, radial tires, all designed to prevent serious injury or death in an accident.

Clearly, then, if these figures are to be reversed—and I am convinced they can be—it is up to the drivers to prevent accidents, through safe and careful driving habits. It is up to the drivers and their passengers to buckle up. It is up to the drivers to obey the posted speed limits.

Permit me to return to the use of seatbelts. Regardless of what you hear or read, I have some interesting statistics that merit attention. Through 1978, out of 27,275 unbelted drivers involved in accidents, 336 were killed. During the same period, out of 258,578 belted drivers involved in accidents, 154 were killed. Those figures indicate if you are driving and involved in an accident, you are 20 times safer if you are wearing your seatbelt. I don't believe further comment is necessary.

In conclusion, it is apparent to me that neither the latest safety features built into cars nor safety legislation deters the careless or inattentive drivers who cause most of our accidents, something like 90 per cent of them in any given year. How can we reach these people? How can we remind all drivers that it is their behaviour and driving attitudes that are critical in these regrettable statistics?

To begin with, we are planning a two-pronged approach, using radio and police enforcement. To this end, my ministry personnel have already met with the senior OPP officials and I have been assured that highway surveillance will be stepped up through the use of radar equipment in unmarked cars and the return of aircraft to patrol provincial highways.

As a backup operation, the Ministry of Transportation and Communications will kick off a two-week awareness radio campaign, beginning May 25, a campaign involving a series of commercials aimed at making drivers more aware of their own carelessness and the carelessness of other drivers.

VISITORS

Mr. Speaker: I am sure that all members of the House would like to recognize a very distinguished visitor in our gallery, in the person of the Minister of Education for St. Vincent, the Honourable St. Clair Dacon, and Mrs. Dacon. Would you please welcome them.

COMMITTEE ADVERTISING

Mr. Sterling: On a point of order: on April 27, the subcommittee of the standing administration of justice committee met to consider the procedure of dealing with Bill 19. It was decided by the subcommittee there should be public hearings on the bill and advertisements should be placed in some 50 daily newspapers, at a cost of approximately \$6,000.

Neither the procedure of dealing with the bill nor the specific expenditure was approved by the justice committee, nor was the committee ever given such a mandate to make these decisions. The clerk of the committee subsequently placed these advertisements.

Under section 92 of the standing orders, a committee is provided with the authority to strike subcommittees, but it is silent as to the powers of that subcommittee. The global budget for the justice committee permits a total advertising budget for this year in excess of the specific expenditure I have mentioned above.

I would ask you, Mr. Speaker, to rule on whether these actions are within the jurisdiction of this particular subcommittee.

[2:15]

Mr. Speaker: As all honourable members know, there have been some changes in the standing orders dealing with subcommittees of standing committees. I will take your point of order under advisement, and I will report to you and the House later.

[Later (5:50):]

Mr. Speaker: This afternoon the member for Carleton-Grenville, on what he considered to be a point of order, requested a ruling on the question of the expenditure of funds by a subcommittee without the express authority of the standing committee from which it is composed. I must point out that it is an established rule of procedure that the Speaker and the House may not deal with matters originating in a committee unless they are properly brought to the House by a report of the committee presented by the chairman thereof.

I realize the member has raised an important question in view of the fact the provisions for subcommittees are now new in our standing orders and that the provisions of budgets to standing committees are a very recent development. I, therefore, suggest that this question should be properly considered by the procedural affairs committee, which might be inclined to bring in a report to the House proposing guidelines for the proceedings of subcommittees and generally for the expenditure of funds by

standing committees and subcommittees thereof.

[Reverting (2:17):]

ORAL QUESTIONS

ROAD DEATHS

Mr. S. Smith: Mr. Speaker, I would like to question the Minister of Transportation and Communications concerning the statement on first-quarter highway statistics and the very alarming increase in the death toll, which may or may not be just a statistical abnormality, but it is certainly very disturbing. Can the minister tell the House what percentage of these fatal accidents were alcohol related? Can he tell the House anything with regard to the proportion of these accidents that involve people of any particular age group, that involve small cars, anything about the location of these particular accidents that might assist the House in placing the information in a more reasonable context?

Hon. Mr. Snow: Mr. Speaker, my ministry tabulates all these accident figures and submits a report annually, breaking them down into different types of vehicles. I am not sure at this moment whether small cars and large cars are separated but, certainly, in many of the other areas mentioned, those statistics are produced on an annual basis. I do not have the breakdown for the first three months at this time, as I have just received the total figures for those months, showing the large increase which I reported to the House today.

I think our preliminary information would tell us that most of these accidents appear to happen with vehicles that have no mechanical deficiencies, under normal driving conditions and, in most cases, with the drivers in normal, good condition as well. The weekend a few weeks ago was the black weekend, as far as I am concerned, with a large number of deaths on the highway. That was the weekend of March 23 to 25 which, I believe, was a clear weekend when the roads were bare and dry. I think there were 23 or 24 deaths on that particular weekend.

I have a preliminary report on those accidents; they are from varying causes. I cannot state the cause because in many cases the police reports or court actions are not completed. But certainly there were situations where the tentative report showed impaired driving. In some cases the driver was on the wrong side of the road, in some they crossed the centre line—the type of thing which is just hard to understand under good driving

conditions. Speed was involved in some. Unfortunately, on looking through this report, several of these involved people who moved left of the centre line for no apparent reason.

Mr. S. Smith: By way of supplementary: Will the minister undertake to give us some further breakdown of the accidents that have happened in the first quarter so that we can judge what the trends appear to be? Since he concluded, on page four, that the real problems are careless or inattentive drivers, I think it is important for us to know on what those conclusions are based, whether there is information with regard to alcohol or to any defects in the automobiles and so on. If the minister would be kind enough to table all these data as soon as possible, I am sure we could share with him the prospect of examining it to make some decisions.

Mr. Mancini: Supplementary, Mr. Speaker.

Hon. Mr. Snow: Let me answer one supplementary before another is asked, will you please?

Mr. Mancini: I just wanted to keep you on the ball.

Hon. Mr. Snow: You get so excited about jumping on your feet, you don't want answers, obviously.

Mr. Speaker, I certainly will provide all that information to the Leader of the Opposition as soon as we can get it together. I have my officials working on this particular matter.

The Leader of the Opposition, commented on my statement that obviously, a lot of these accidents are related to careless or inattentive drivers. I guess I draw my conclusion on that from the fact that in about 85 per cent of all accidents there is no apparent reason for the accident. They are not related to weather conditions or detectable mechanical condition of the vehicle. Eighty-five per cent of the accidents would appear to be caused by inattentiveness of the driver, or whatever one might wish to call it, causing him to make an error of some type. Only about 15 per cent of the accidents we have assessed involve mechanical deficiencies, liquor or bad weather conditions.

Mr. Martel: Mr. Speaker, a supplementary to the minister: On page four of his speech the minister indicates he has met with the Ontario Provincial Police, and the use of radar equipment in marked cars and planes will be coming very shortly. Does he not think one of the very serious problems is the carelessness with which drivers swing in and out of lanes, and that we might move to less emphasis on radar and more on the police moving with the traffic to determine

those who are driving in a careless fashion? Just primarily observing for speed is not going to eliminate the type of carelessness that leads to some or many of these accidents.

Hon. Mr. Snow: I won't disagree with the honourable member. I didn't say I had met with the OPP, as the member stated; I said my officials had. I think certain of those questions relating to enforcement and to the operations of the OPP and other police within the province should rightfully be asked of my colleague the Solicitor General (Mr. McMurtry).

I would have to agree a greater presence of the black and white cars on the road, not only observing for speed, would be useful. I agree speeding is only one of the offences that cause accidents. Certainly, a greater number of police on our highways would, I am sure, make it possible to apprehend drivers committing offences other than speeding that also contribute to accidents.

A recent article, which just happened to arrive on my desk this morning, was published in the bulletin of the American Association of Motor Vehicle Administrators. This article makes a comparison on a 12-month basis, not on the basis of three months such as we do. Their recent statistics show a considerable increase as well in deaths in automobile accidents in the United States. I will read just one paragraph:

"The fatality increases have occurred predominately on highways that post a 55-miles-per-hour speed limit, and in the western and southwestern states, where failure to observe the 55-miles-per-hour limit is believed to be most widespread . . ."

It is just hard to understand. We have had such a tremendous record for the last two years, during 1977 and 1978, when the number of deaths and injuries in Ontario were the lowest, I believe, since 1962. Then, all of a sudden, in the first three months of 1979, we have had this horrendous increase. I hope it is not indicative of what we are going to experience for the whole of this year. We will be monitoring and I will report to honourable members on a quarterly basis.

Mr. G. Taylor: Supplementary: Has the minister any statistics on how many of those automobile accidents are related to the use of alcohol or alcohol involvement?

Mr. J. Reed: That question has already been asked.

Mr. G. Taylor: Has he any relationship to the change that we used in the age differentials this past year? Can he relate them to that?

Hon. Mr. Snow: Mr. Speaker, I don't know what reference the member is making to age differentials.

Mr. G. Taylor: Can the minister show in his statistics whether the increase in age did or did not reduce the amount of accidents?

Mr. Ruston: The drinking age.

Hon. Mr. Snow: The drinking age, I'm sorry.

Mr. Speaker: I thought the honourable minister took that as notice.

Hon. Mr. Snow: We did not change the age of drivers, which I thought the member was referring to.

As I stated to the Leader of the Opposition, we are assessing the statistics and breaking them down into different categories, but I have just received the overall statistics for the three-month period. I do not have a breakdown. Certainly, alcohol is related in a number of accidents; there is no doubt about that. When I look at the March 23 weekend, five or six of the accidents that weekend were related to alcohol.

Mr. Mancini: Supplementary: I would like to ask the minister, when he has the opportunity, to check a little further into his statistics, which he probably should have done before he made his statement, to find out just how many of these accidents were caused by alcohol. When the minister does get this information, would he make a presentation to the cabinet to curb alcohol advertising and the lifestyle type of advertising that breweries are using on television to encourage the consumption of alcohol?

Hon. Mr. Snow: Part of that question is repetitive. I said we will be assessing and breaking down the figures we have. I would suggest to the member that I felt it important to bring the information I had to the members of this House.

Mr. Mancini: Will the minister make a presentation?

Hon. Mr. Snow: If the member had wanted me to wait until all the inquests—

Mr. Mancini: Will the minister make a presentation to cabinet?

Hon. Mr. Snow: Would the member please wait a minute while I answer his question?

Mr. Mancini: Don't twist my question around.

Hon. Mr. Snow: The member obviously doesn't want an answer.

Mr. Mancini: I want the answer. Don't twist the question.

Hon. Mr. Snow: I would like to give it to him. I would like to say that I felt it my duty as the minister to bring the preliminary figures of the number of deaths, which I have, to the attention of the members of the House. I did not feel it appropriate to wait for several months until inquests and investigations into accidents are completed to be able to tell the members whether there was alcohol involved in particular accidents or not. We will be following up on that information.

Mr. Mancini: Is the minister going to make a presentation?

Hon. Mr. Snow: I wish the Attorney General (Mr. McMurtry) were here today. I know he is as concerned and as interested as I am. He is lead minister in the cabinet as far as the drinking-driving problem is concerned. He is holding both portfolios as Solicitor General and Attorney General. I know of his great concern in this area. We will certainly be looking at every possible way that we might be able to recommend to our cabinet colleagues to curb this. But I assure the member it is not an easy problem.

RADIATION FROM X-RAYS

Mr. S. Smith: I have a question of the Minister of Health concerning X-rays. Is the minister familiar with the data referred to by the so-called Dr. W. Gifford-Jones in the *Globe and Mail*, in which he says that in chiropractors' offices 90 per cent of patients receive a full trunk X-ray, which is alleged in an article in the *Canadian Medical Association Journal* to be a major radiation hazard? [2:30]

Since the minister has said to the people of Ontario that patients should never refuse an X-ray for the reason that missing the diagnosis might be worse than the risk of radiation, what advice can the minister give to patients who attend chiropractors? Should they ever refuse such a full-body X-ray, or should the present practice continue whereby some 90 per cent of patients allegedly receive these X-rays?

Hon. Mr. Timbrell: Mr. Speaker, this morning I met with Drs. Hobbs, Taylor and Johns who are conducting the work through the Radiological Research Institute of the University of Toronto which has been discussed here in recent days. I didn't have a chance to read Dr. Walker's comments this morning in the *Globe and Mail* and, therefore, I'm not familiar with that aspect of it. I was assured, however, that the project which is under way will cover chiropractors,

dentists and all applications. I will look into that particular aspect.

I'm sorry I haven't had a chance to read those comments. In all respects, they re-emphasized to me again this morning that when it comes to diagnosis the risks are much greater in refusing diagnostic radiology.

While I'm on my feet, I want to take some exception to a comment which was attributed to the Leader of the Opposition. He suggested there has been some secrecy about this matter, that the ministry or that I as minister somehow have not taken the matter seriously. I want to draw the member's attention to Hansard for the estimates of my ministry on November 21, 1977, at which time the matter was fully discussed.

Mr. Speaker: The answer should relate to the question that was asked.

Hon. Mr. Timbrell: Perhaps it could be counted as a point of privilege, because I think my privileges have been abused. The honourable member suggested there has been some secrecy and lack of concern. In point of fact, this was discussed at estimates in November 1977 and it was clearly set out what the ministry was doing and what our plans were. Perhaps the honourable member would at least afford me the privilege of an apology.

Mr. S. Smith: I'll certainly read the estimates and decide then exactly what action should be taken concerning the so-called point of privilege.

Hon. Mr. Timbrell: Mr. Speaker, I thought you decided what happens with points of privilege, not the Leader of the Opposition.

Mr. Breithaupt: We'll apologize if necessary, but not necessarily apologize.

Mr. S. Smith: The Speaker called on me, as I understood it, to ask a supplementary question. The supplementary goes back to the original question and that was: As Minister of Health, responsible to give advice to the people of Ontario, what does he advise the people of Ontario? Should they accept having X-rays done by chiropractors when they go into their offices—routine, full-trunk X-rays—or should they not? If the minister believes the risk of refusing is as great as or greater than the risk of accepting the X-ray, would he please outline for us what the risks on either side are? What is the risk of refusing such a chiropractic X-ray on a routine basis and what is the risk of accepting it? What is the average radiation exposure of such a full-length X-ray?

Hon. Mr. Timbrell: I want to tell the member why I had this meeting this morning.

Mr. S. Smith: That's not what I asked.

Hon. Mr. Timbrell: It's all part and parcel. The doctors in question were very concerned about the kinds of things that have been said and written about their report. In fact the purpose of the meeting was to bring me up to date on what they had said and to provide me with additional information.

When I came to the House today, I was also provided with a statement which the doctors have prepared and which they are apparently releasing. I have asked for some copies to be made to distribute here today. They deal with the question of comparable risks. I think this will answer in part what the member is asking.

Mr. S. Smith: I was asking what the minister is advising the patients of chiropractors. He is the minister. What is he telling them?

Hon. Mr. Timbrell: The member asked me about risks, with respect, and that is why I want to tell him the expert advice I have had.

Mr. S. Smith: Chiropractors. C-h-i-r—chiropractors.

Hon. Mr. Snow: He can spell it.

Mr. Speaker: Order. Order.

Hon. Mr. Timbrell: Can the member spell "cat?"

I think this will answer the honourable member's question in part, and I will get further information.

Mr. S. Smith: The minister is not prepared to advise the patients.

Hon. Mr. Timbrell: This is on the question of abdominal—let me quote from this paper. I'll be glad to send the member a copy when they arrive in the House.

"One abdominal X-ray procedure carries with it an average risk of 40 in one million of producing leukemia. This should be compared with the following equivalent risks. A person has the same risk of dying in: (a) travelling 16,000 miles by air; (b) travelling 2,400 miles by car; (c) smoking 32 cigarettes"—

Mr. S. Smith: On a point of order: The question period is difficult enough for you to manage, Mr. Speaker, and it is difficult enough for us to have to bear with the answers, but this answer has nothing whatever to do with the question I put. The answer must surely be somewhat pertinent to the question.

The question is whether the Minister of Health is able to give advice to patients of chiropractors, in his capacity as Minister of Health, as to whether or not they should accept a routine X-ray which is commonly

offered to them, because of the risk-benefit ratio. Instead, we are hearing something about travelling by airplane or by car and so on. Would he not answer the question? If he can't answer it, why doesn't he simply admit he can't answer it?

Mr. Speaker: In all fairness I think the answer goes at least some way to answer, in an indirect way, the question that was asked. I don't think the Leader of the Opposition would want me to interfere with the way in which he asks a question, any more than he would want me to interfere in the way in which a minister answers it.

Hon. Mr. Timbrell: If the honourable member would go back to the original research work which was done by these eminent physicians and physicists; if the honourable member will look at the project which is at present under way, the latest aspect of their work; if the honourable member will look at the statement I read into the record a week ago; if he will look at this statement, once I send him a copy, he will realize these eminent scientists are saying that the problem is one of education of all professionals to inform them and ensure they apply the information that they can get as good diagnostic pictures with lower radiation dosages.

I don't have information here because I didn't read Dr. Walker's column this morning on that particular type. I wanted to give him this information because I think this puts it into perspective. This is the information we are getting from these gentlemen who have carried out and are carrying out the most comprehensive program in this area anywhere.

Mr. McClellan: By way of supplementary, since the issue relates as much to the competence of the people who are running X-ray equipment as to anything else, may I ask the minister if he is willing to provide to the House the number of people who work in public hospitals running X-ray equipment, and of these, the number who are registered radiological technicians? Secondly, how many people in the province who are employed as X-ray machine operators in all medical institutions, other than public hospitals, are registered radiological technicians?

I would assume the group referred to by the Leader of the Opposition would come within the latter group, so I would like the minister to obtain that information for us if he doesn't have it here.

Hon. Mr. Timbrell: I believe I answered that question the other day. If I remember correctly, the information I have is that 97 per cent of those technicians working in the

hospitals are registered. I indicated that as far as the technicians in the ministry were concerned, a year and a half or more ago we decided, and conveyed to the society our decision that we would, henceforth, hire only registered technicians. We asked the society to give us its thoughts on how we could put together a program to upgrade those who are employed in the ministry and who are not registered, so that they could, in fact, become registered.

Let me say one final thing. I was concerned about one set of comments in one of the newspapers that was apparently attributed to these scientists which said that people were not qualified. They assured me that at no point had they said that and at no point had they said the inspection service, as such, was inefficient or not doing its appropriate role.

Mr. S. Smith: Dealing with chiropractors' offices, could the minister tell us what percentage of the X-rays taken in chiropractors' offices are taken by registered technicians? Could he tell us at what rate the machines in chiropractors' offices are inspected, and could he make the inspection reports public? Finally, could he tell us what the risks would be of refusing a routine chiropractic X-ray and could he tell us what the risks would be of taking the X-ray; what is the average exposure? What is he prepared to advise the people of Ontario to do when they are offered a chiropractic routine X-ray? Should they say yes or should they say no?

Hon. Mr. Timbrell: I'm amazed that the Leader of the Opposition, who is himself apparently a physician, would ask that kind of a question. Clearly, he knows from all the evidence that has been prepared, particularly in the most recent studies, that the risk is much greater—and it has been documented by these scientists—in refusing what is advised as a diagnostic radiological or fluoroscopic procedure. I will try to get comparisons for that kind of an X-ray comparable to what these gentlemen have put into this statement they have issued today. Clearly, the risk is much greater in denying a prescribed diagnostic radiological procedure.

Mr. S. Smith: A routine chiropractic X-ray; is that what you're saying? Stop shilly-shallying. Give us the answer.

Mr. McClellan: Supplementary, Mr. Speaker: I simply ask the minister to provide us with the actual number of X-ray machine operators in the province in all institutions—the number, not a guess at the percentage—and, of that number, to tell us how many numerically are registered radiological technicians.

Hon. Mr. Timbrell: I'll see if I can get those figures and how quickly. We are going to be discussing the matter at the social development committee at some point. I want to point out that under the existing regulations, for an individual to be in a position to operate a machine he or she must be registered or must be trained to a level satisfactory to the responsible individual, i.e., the physician, the dentist, the chiropractor or whomever.

Mr. S. Smith: The chiropractor runs the place.

Hon. Mr. Timbrell: I keep coming back to the basic point. What these gentlemen have found and what we are at present engaged in is a process whereby the results of their research to date are being applied right today. In the work which is at present under way, the \$600,000 or so study, plus a couple of others that are also being completed, we will at each step along the way implement new techniques and apply new machinery as they are developed to address this particular problem.

CUSTODY OF PAQUETTE CHILDREN

Mr. McClellan: Mr. Speaker, I have a question, in the absence of the Attorney General (Mr. McMurtry) for the Minister of Community and Social Services with respect to the Paquette case, which was the subject of a report to the House by the minister in March 1978. I want to ask the minister whether he recalls that Louise Paquette was sentenced to 21 months indefinite in March 1978 as a result of the death by hanging of her child Adrienne.

I want to ask him also if he can explain why Mrs. Paquette was released from reformatory some time last fall and particularly if he can explain why a family court judge, Judge G. Y. Goulard, in December 1978 awarded the custody of the four surviving Paquette children back to their mother and ordered the children returned to the custody of the same Louise Paquette?

Hon. Mr. Norton: I really don't think I ought to attempt to answer the first question. I simply don't know what matters were taken into consideration in the determination to return Mrs. Paquette to the community, but there are established procedures before boards of review that take those matters into consideration. I think it would be better if I were to refer that question to the Attorney General for a more complete answer when he returns to the House.

I would point out that to the best of my knowledge, first of all, the Paquette child

was not hanged in the sense of the picture it conjures, but I believe it was suffocation as a result of a gag that caused the death. That was not particularly relevant to the question, but I think the image of hanging the child is quite different from what I understand took place. The matter of the return of the children to the family, which was ordered by a judge a few months ago, as I understand it, is the subject of an appeal before the courts.

[2:45]

I am aware of the fact that at least the official guardian is reputed to have commented on the case to the press, indicating an interest. As well, I have asked my staff to be in contact with the official guardian to pursue the matter. I must say, given the history of the family and the circumstances from which the children were originally removed, I would be very reluctant to intervene in any way so as to hasten their return.

The order, as I understand it, still stands subject to appeal that they be returned. If the report in the media is correct, I understand the official guardian feels that is an appropriate disposition. I must say, perhaps on the basis of more limited information than the official guardian has, I would be very reluctant to accept that it is the most appropriate one.

Mr. McClellan: The minister has anticipated my supplementary, which is this: How can he explain to us that the official guardian, or the person who is supposed to be the official guardian in this province, is quoted in Wednesday's Globe and Mail as saying he is convinced the children, that is to say the four surviving Paquette children, should be returned to their parents? Doesn't this remind him of the Ellis case?

Hon. Mr. Norton: Mr. Speaker, whenever a person is charged with the responsibility of exercising certain discretionary decision-making authority, as is the case with the official guardian, it is always difficult for someone to try to second guess. I don't know what information he took into consideration in expressing that position, if in fact it accurately reflects his position. I have not yet had an opportunity to discuss it with him personally, and of course he does report through the Attorney General (Mr. McMurtry) as opposed to through my ministry. I think, though, if we do entrust to persons certain independent decision-making authority on behalf of children in the province we have to be prepared, provided the appropriate information is available to them, to let them exercise that independent decision-making authority. Of

course I realize if the honourable member opposite were in government perhaps he would let nobody but himself make decisions, I don't know, but all I am saying is—

Mr. Swart: The minister has the final responsibility.

Hon. Mr. Norton: —the official guardian has apparently expressed an opinion or a position. I am not prepared to say if he is right or wrong, because I don't know what information he had to take into consideration. I will say that perhaps on the basis of more superficial information that I have had over the period of this case, I would be reluctant to advocate the return of those children to their home, although I would keep my mind open on that subject to see whether there is additional information of which I am not aware.

Mr. McClellan: Mr. Speaker, I have a final supplementary. I would like to ask the minister why the four surviving Paquette children were taken out of foster homes in September, 1978 and placed in the Ottawa Children's Aid Society assessment home where they have been kept for the last nine months? I gather the official guardian's representative in Ottawa has said it's a horrible setting, and I am again quoting from the Globe and Mail. Can the minister explain why they have been taken out of foster homes and put in the assessment home for nine months?

Hon. Mr. Norton: Mr. Speaker, I can't explain that specifically other than to say I presume it was in response to the court order, and that in fact they were being prepared for return home. I cannot explain why they have been resident in the assessment home.

Mr. McClellan: How about finding out all these things and letting us know?

Hon. Mr. Norton: I will see if there is any particular explanation for that. I am not satisfied that is critical to the real issue the honourable member is attempting to address in his line of questioning.

CAS FUNDING

Mr. McClellan: I have a second question for the same minister, if I may Mr. Speaker. In March, the Minister of Community and Social Service announced a sum of money would be available to children's aid societies to implement the new standards and guidelines for the management of child abuse cases. I want to ask the minister whether he is aware that the Ontario Association of Children's Aid Societies did a survey of each of its 51 societies, and determined that, based

on their estimates of the increased workload coming out of his ministry's standards, they would need a budget of \$3.9 million in additional, brand-new money.

In the light of the fact that he has only allocated \$2.4 million, one third of which is for staff training, I want to ask the minister how the children's aid societies are going to finance the work they are now required to do as a result of the new Child Welfare Act and the standards and guidelines for the management of child-abuse cases, where there is a huge shortfall in the amount of money that the minister is prepared to provide to them?

Hon. Mr. Norton: Mr. Speaker, I have not seen the results of any such survey—and I am not suggesting it has not been taken—but I would point out that there is a very big difference between saying to individuals or groups of individuals who are engaged in a specific area of service, "How much would you spend if you had no limits upon what was available?" That is one approach they could take, and I can imagine—in fact, you could come up with a figure much greater than \$3.9 million.

Mr. McClellan: No. They are saying what their responsibilities are and how much they will cost.

Hon. Mr. Norton: All right. Even in the interpretation of that, I suggest there is a great range of assessments of what the dollar need might be.

I would also say that it is a different matter if one is going to plan responsibly in the area of human services, in any area of government services, because it seems to me that an essential and an integral part of responsible planning is an awareness of what resources are available and what it is you are planning for.

We believe those guidelines can be implemented for less than the figure the honourable member has quoted. Our staff will work with the children's aid societies in the implementation of that. It may well be that some of the societies will persist in the position there is not enough money. On the other hand, I reserve judgement upon that until such time as I can be satisfied that they cannot effectively plan, within the limitations of the \$2.4 million new dollars available for this particular implementation, and meet the objectives that are established by those guidelines.

Mr. McClellan: By way of a supplementary question: Since it was not clear in the original announcement, but it is clear now, that the \$2.4 million that the minister has made

available is subject to a 20 per cent cost-sharing with the municipalities, how are children's aid societies, which are five months into their budget year, supposed to negotiate at this point in time with municipalities, which have already set their budgets and their mill rates, in order to obtain the 20 per cent cost-sharing to do the work that they are required to do once the act is proclaimed on June 1?

Hon. Mr. Norton: In so far as it is possible, we will work very closely with the municipalities and the societies in that respect. But I would point out that every year there are supplementary budgets submitted by children's aid societies across the province for far more money than that to take into consideration the growth in the case-load during the course of the year. That is something the municipalities, without any difficulty, have always managed to anticipate, and I do not expect any different problems this year.

Mr. McClellan: A final supplementary question: Will the minister give a commitment now that he is prepared to be flexible with respect to these amounts of money and, if it turns out that the financial burdens imposed on societies as a result of the new act and the new standards are in excess of what the minister has budgeted, that he will be prepared to provide the amount of money they need to do the job they are required to do under the law?

Hon. Mr. Norton: The honourable member knows that I am always a very flexible person. However, there may be some restrictions or limitations upon my flexibility; I cannot print money. There are certain limitations that we have to live with in terms of our planning; I have to expect children's aid societies and others to live within those same limitations.

COMPUTER SERVICES

Mr. Epp: Mr. Speaker, I have a question of the Minister of Government Services. Is the minister aware that his ministry is expanding its computerized services to municipalities in Ontario at a time when small computer companies are seeking business; and is the minister convinced that these services the government is offering are less expensive, as the government claims they are? Why is he expanding these services to municipalities when in fact he has given commitments to various private industries that his ministry will not expand its services?

Hon. Mr. Henderson: Mr. Speaker, I believe the honourable member is referring to

the service we put out with respect to assessment rolls. Is that the service to which he is referring?

Mr. Epp: Tax bills.

Hon. Mr. Henderson: Mr. Speaker, it is more the assessment notices than the tax bills. The tax bills are supplied to municipalities at their request and at our cost. I believe it is a good service to the municipalities. We do not go out looking for the business; the municipalities come and ask for the service.

Mr. Epp: Supplementary, Mr. Speaker: Is the minister convinced all the costs of the program—such as insurance, telephone, et cetera—are being plugged into the system when he is trying to determine the costs? Is this not an example of the government's having overbuilt computerized services within the provincial jurisdiction so that it is now seeking municipal customers at the expense of private enterprise?

Hon. Mr. Henderson: Mr. Speaker, that is not correct. We have the necessary equipment to do the job; if the municipalities request it, we will supply it.

FOOD PRICES

Mr. MacDonald: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations, with reference to report number one of the food prices monitoring program produced by his ministry. On page 15 it notes that in the first two months of this year the wholesale price of turkeys dropped four cents, from 40 to 36 cents. At the same time, the price spread between the wholesale and retail increased from 19 to 30 cents, which is an 11-cent spread. Is this not clearly a ripoff of the consumer? Does the minister conceive of any justification for it, and if so what? If there is no justification, what is he going to do about it?

Hon. Mr. Drea: Mr. Speaker, the honourable member will note the data on turkey prices was available for only the first two months. One of the reasons the price to wholesalers declined during that period of time, quite frankly, was the events of last November and December when the retail price rose and the consumption of turkey dropped dramatically. When the leader of the NDP asked me what I intended to do about the galloping price of turkey, I did something about it.

Mr. T. P. Reid: Galloping?

Hon. Mr. Drea: It was very galloping, even for a turkey.

Mr. Speaker, traditionally there is an increase in the spread between the wholesale

and the retail price in the sale of turkeys right after the Christmas period. One of the difficulties, for the producer of turkeys particularly, and it is one I am sympathetic to, is the sale of turkey peaks in the holiday season, at Christmas, and to a lesser extent at Easter. The rest of the year it is at a very low ebb. Suppliers have been trying to promote consumption on a more equitable basis. Those two are the recommendations. I do not think turkey is a ripoff at all.

Mr. MacDonald: Mr. Speaker, if the minister does not consider an increase in price to the consumers of 11 cents while the wholesale price was going down by four represents a ripoff and he rationalizes it, may I ask him another question in another area but in the same context? On page 17 the report says the wholesale price per hundredweight of Ontario pork dropped 28 per cent. At the same time, the retail price the minister monitored went up 5.35 per cent. How does the minister justify that; and what is he going to do about it?

Hon. Mr. Drea: Mr. Speaker, if the honourable member knew anything about the movement of pork through the system he would not ask a question like that. It takes much longer for a decrease in the wholesale price of pork to reach the retail level than it does beef or any other product. He knows that, he has been on the agriculture estimates.

[3:00]

Mr. Riddell: A supplementary to the minister: Inasmuch as turkeys lay eggs, although consumers are more inclined to eat hen eggs, would the minister look into the allegations we heard about so much in the news media yesterday that consumers are paying 20 cents a dozen more for their eggs because of the national supply management system? Could the minister look into that, or check with the Minister of Agriculture, to see if there is any truth in that?

Hon. Mr. Drea: I can look into it. I have discussed the matter with the provincial Minister of Agriculture and Food (Mr. W. Newman). One of the reasons I will look into it is that it may be my last occasion to talk with Mr. Whelan as Minister of Agriculture.

Mr. Swart: By way of supplementary, may I ask the minister whether he has looked closely enough at the 12 charts which gave the markups between wholesale and retail prices to realize that the markup on Canadian farm produce during the last three months has increased substantially, while the markup on imported produce has increased very little or not at all?

May I also ask the minister if he is prepared to permit food merchandisers to make excess profits? The profits are increasing very dramatically; doesn't the minister think it would be better that the profit be made on imported food rather than on our own, where it results in decreased consumption of our own food?

Hon. Mr. Drea: If the member would pause to think for a moment, he would realize the price spread on domestic produce increased. One reason is that virtually all of the produce from a very good year in Ontario was in great demand in the northeastern United States because of the failure of certain crops in the southwestern United States caused by poor climate conditions. When there is inability by the American or Mexican markets to deliver in the off-season here, the storage crop is in great demand in the United States.

Part of the reason, as well, was the very attractive discounts that Americans got based upon the rate of the dollar.

As I cautioned the other day, one of the things one must be aware of in terms of food prices, particularly with fresh produce, is not to have the naive impressions of the member for Welland-Thorold (Mr. Swart) that because the Ontario growing season is coming in all will be well. A great deal depends on the growing season in the United States and the ability of the American government to solve the gasoline crisis. If that crisis is not solved in California and in the western states there is going to be great demand for Ontario produce in the northeastern United States, which will lead to a shortage of supply here, and inevitably to a rising gap between the producer's price and the final market price. That will be reflected at the consumer level.

Mr. Swart: The consumer is going to pay the price, and the supermarkets are going to make the profit.

FALSE INVOICING

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Is the minister aware that throughout the year businesses are inundated with solicitations for inclusion in some kind of classified directory? Examples of such are telex services suggesting that cheques be mailed to the Tribune Publishing Corporation Limited, Post Office Box 1036, 56 Leinster Road, Dublin, Ireland; and another example, which states, "Please return this with cheque," Classified Directory Publishers Incorporated, Post Office Box 1428, Downsview,

Ontario. How does the minister plan to stop such business practices?

Hon. Mr. Drea: This type of false invoicing or phoney invoicing based on the purported insertion of an advertisement in a directory is, next to the "bank inspector" game, probably the oldest commercial racket in this country.

We are moving in two areas. We have joined with business groups, particularly the better business bureaus and chambers of commerce, in sending to their members strong warnings about this practice. One of the reasons it succeeds so often is that it is taken as an invoice and just flows through the business organization as though it was a legitimate one.

Secondly, although I don't recall the case exactly, the Attorney General (Mr. McMurtry) has prosecuted such an operation and there was a very substantial penalty imposed. After discussing the matter with the minister I would be prepared to report back to the member on that matter.

Third, we were always in the position—although in the particular case I am talking about it was referred to the criminal division of the courts—through the Business Practices Act, where this is an unconscionable transaction, to bring in a cease-and-desist order as well as go for a prosecution in the courts. The difficulty is that, the moment we do that, they come up under another name and with another postal address.

We are in consultation with the crown. There has been a test case which was prosecuted very successfully. There is now a much more powerful deterrent out there in terms of criminal law, and we are stepping up our inquiries and our information in regard to aspects that are under our jurisdiction in terms of the Business Practices Act.

In addition, I may say we have had excellent co-operation from the postal authorities regarding our foreign imports.

Mr. Speaker: I may say that the minister's answers are far too long.

Hon. Mr. Drea: There was one from Ireland; I didn't want you to think I was going there to prosecute.

BURNING OF PCBs

Ms. Bryden: Mr. Speaker, I have a question for the Minister of the Environment. Now that the Environmental Assessment Board hearings on polychlorinated biphenyl burnings at the St. Lawrence Cement plant in Mississauga have been adjourned until June, will the minister respond to my open letter of last March requesting that he con-

sider some public funding for ratepayers' organizations and other citizens' groups appearing at the hearings so that these groups can hire researchers and other experts to assist them in preparing their submissions over the next month in order that all points of view will be adequately presented to the board?

Hon. Mr. Parrott: Mr. Speaker, I suspect the member knows the answer to that question, but let me restate it. No, we will not specifically fund those people who are wanting to bring in experts on their own volition. But we have amended the terms of reference for those hearings so that evidence by experts will be a part of the submissions that are made to the Environmental Board hearings. We do so very willingly; we want as much information as possible at those hearings. We will be glad to see that those witnesses are there, but we will not fund the legal expenses of those who oppose.

Ms. Bryden: A supplementary question: Has the minister read the 1978 report prepared for the Environmental Assessment Board and entitled Public Participation Program Proposals? Has he considered its recommendations for funding of public interest groups and the fact that two thirds of the board members who were polled by the writers indicated support for the principle of funding public interveners?

Hon. Mr. Parrott: I am aware of that report, yes.

Mr. Gaunt: A supplementary question, Mr. Speaker: Since the minister has taken a consistent position with respect to public funding, would he reconsider additional funding within his own ministry to go towards further research in this matter of PCB burnings, since one of the key experts within the ministry is discouraged to the point that he is leaving and going to the United States?

Hon. Mr. Parrott: No, Mr. Speaker, I do not think there is any need to give more funding to anyone on this particular thing. We are prepared, as I said previously, to bring in witnesses, even if they are from the United States; as a matter of fact, I think one is coming from the United States. I do not think the reason for that particular member of staff to leave is related to the hearings in Mississauga.

VIOLENCE IN SCHOOLS

Mr. Bradley: Mr. Speaker, I have a question of the Provincial Secretary for Social Development, in the absence of the Minister of Education (Miss Stephenson), on violence in secondary schools; it follows up on

questions I asked the Attorney General (Mr. McMurtry) on March 30 and the Minister of Education on April 20.

Now that we have yet another report outlining severe problems with violence, vandalism, arson, extortion, et cetera, in the secondary school system in one particular part of the province—and, one could conclude, throughout the province—would the minister not agree that there is a need for immediate action on the part of the Ministry of Education to ensure that administrators and teachers have the tools with which to deal with these difficult kinds of problems? Would she not agree that immediate action can be taken with regard to the Petty Trespass Act to deal with the most obvious problem, which is that of unwanted intruders into the secondary school system, which is causing most of these problems?

Hon. Mrs. Birch: Mr. Speaker, the Minister of Education initiated a study in this general area. It's my understanding that the report has been finalized and the recommendations are being assessed at the moment. I'm sure the Minister of Education will be able to elaborate on that when she is in the House.

Mr. Bradley: As a supplementary, would the minister not agree that the view expressed by teachers that there is a creeping cynicism that affects teachers' attitudes to incidents of violence and vandalism, caused by the belief that very little gets done to really effect a change in students involved in such incidents, calls for some innovative approach to this problem? We recognize, of course, that there are social problems underlying the question—

Mr. Speaker: Question.

Mr. Bradley: —but there must be some immediate action before the new school year.

Hon. Mrs. Birch: I don't agree there should be a separate school for children with those kinds of problems. I certainly do not agree with that. I think we should await the recommendations arising out of the report done by the ministry.

Mr. O'Neil: Mr. Speaker, supplementary: As a person who taught in the school system for a few years and who used the strap sparingly but as it would be used by a judicious parent, what is the minister's opinion and that of her government as to the more liberal use of the strap, under certain guidelines, on students on whom it might do some good?

Hon. Mrs. Birch: I don't think I would like to give a government policy response

to that question, but as a parent who believes in discipline I think I would agree with the member.

GAS COMPANY BILLINGS

Mr. M. N. Davison: Mr. Speaker, my question is of the Minister of Consumer and Commercial Relations. It concerns the billing practices of Union Gas in Hamilton, Consumers' Gas in Toronto and Northern and Central Gas in North Bay; practices authorized by the Ontario Energy Board. These companies are currently charging a five per cent late payment fee, which is the equivalent of 60 per cent per annum interest. This is done even when the customer has a favourable credit balance under one of their equalized payment plans. Would the minister not agree this is a consumer ripoff and that he has a responsibility to protect the consumers of Ontario? Should he not be using his influence to stop this unfair practice?

Hon. Mr. Drea: Mr. Speaker, I have an obligation under law to protect the consumers of Ontario. The member's customary adjective in describing virtually every business practice is "ripoff." I will look into the matter and I will report back to him tomorrow.

Mr. M. N. Davison: Supplementary: While he is looking into that matter, would he not agree that in view of the degree of monopoly power in this sector it might be a good idea if he would undertake a broader investigation to see if there are any other practices of these gas companies that are operating to the detriment of the consumer in the province?

Hon. Mr. Drea: I'm always looking at things. I would draw to the attention of the member that the natural gas producers of this province have to go before the Ontario Energy Board. At that time, when the rates are established, certain of their collection and business practices are also taken into account. That is the place where it is established.

If the member is asking me, as the Minister of Consumer and Commercial Relations, if I will intervene before the Ontario Energy Board the answer is no. The proper place for an intervention on that is before the energy board, and there are groups that do that.

HYDRO TRANSMISSION LINES

Mr. Stong: A question of the Minister of the Environment: Pursuant to the minister's undertaking to the clerk of the town of Markham, when can the people east of highway 48 expect environmental assessment

hearings into the Nanticoke-Pickering transmission line?

Hon. Mr. Parrott: I don't think I can answer that today. I would like to review that before I give the member an answer.

Mr. Speaker: The time for question period has expired.

[3:15]

LEGISLATIVE PAGES

Mr. Speaker: With the honourable members' leave, I know you would want me to read into the record the names of the pages who are serving with us at the present time and who will be leaving tomorrow. They are as follows:

Jeffrey Bell, Simcoe Centre; Elizabeth Burns, Wellington South; Daniel Burr, Windsor-Riverside; Laura Chapman, Hastings-Peterborough; Shawn Haggerty, Erie; Sarah Hall, Huron-Bruce; Kimberly Harris, Grey; Stephen Jolly, Mississauga North; Marily Koval, Lake Nipigon; Tannys Laughren, Nickel Belt; Finn Lovsted, St. Andrew-St. Patrick; Ronald Martin, Durham-York; Ilana McGrath, Kingston and the Islands; Diana Morrison, Ottawa Centre; Eliza Parkinson, St. George; Brian Shannon, Port Arthur; Matthew Snell, Eglinton; Martha Stong, York Centre; Peter Vanderheyden, York South; Sundar Viswanathan, Sudbury; Glen Watson, London North and Eileen Wood, Scarborough Centre.

I am sure all honourable members would like to thank them for their service while they were with us.

INTRODUCTION OF BILLS

RAILWAYS AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 91, An Act to amend the Railways Act.

Motion agreed to.

Hon. Mr. Snow: The purpose of this bill is to nationalize the CPR. No, I'm sorry. Please retract that.

The Railways Act applies in part to the operation of the Ontario Northland Railway and the Toronto Transit Commission. This amendment will meet the TTC request for increased penalties for interfering with mechanical equipment on its vehicles, committing any nuisances on its vehicles or the entering of its rapid transit system at other than designated passenger entrances.

The present penalties, with maximums of \$20 and \$25, date back to the mid-thirties and are no longer an effective deterrent. The requested and proposed increase allows for a maximum of \$500 in a penalty.

RELIGIOUS ORGANIZATIONS' LANDS ACT

Hon. Mr. McMurtry moved first reading of Bill 92, An Act to provide for the Holding of Land by Religious Organizations.

Motion agreed to.

ANGLICAN CHURCH OF CANADA ACT

Hon. Mr. McMurtry moved first reading of Bill 93, An Act respecting the Anglican Church of Canada.

Motion agreed to.

Hon. Mr. McMurtry: Today I have reintroduced two bills which I introduced at the end of the last session of the House. The first bill, the Religious Organizations' Lands Act, is a replacement of the existing Religious Institutions Act. It permits religious congregations to hold lands for religious purposes in the name of trustees. The religious group does not have to go to the expense of incorporating. By the same token, when there is a change of trustee the group does not have to incur the expense of registering any new deed from the old trustees to the new trustees. This convenient method of landholding is retained in the new bill.

In addition, the bill extends this convenience to all recognized religions. This legislation is perhaps more important for its symbolic value than for its practical effects as it recognizes the equal standing of all religions in Ontario, whereas formerly only Christians and Jews had the benefit of the Religious Institutions Act.

The second piece of legislation, the Anglican Church of Canada Act, removes the specific provisions covering the Anglican Church from the Religious Institutions Act and places them in their own separate act. These bills result from the recommendations of the Ontario Law Reform Commission.

REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK AMENDMENT ACT

Hon. Mr. Wells moved first reading of Bill 94, An Act to amend the Regional Municipality of Haldimand-Norfolk Act, 1973.

Motion agreed to.

Hon. Mr. Wells: The purpose of this bill is to amend the quorum requirements of the regional council of the regional municipality of Haldimand-Norfolk. Under this amendment, 10 members of the regional council representing at least four area municipalities will be necessary to form a quorum. This bill is introduced at the request of the regional

council chairman and many of the members of regional council.

PLANNING AMENDMENT ACT

Hon. Mr. Parrott, on behalf of Hon. Mr. Bennett, moved first reading of Bill 95, An Act to amend the Planning Act.

Motion agreed to.

Hon. Mr. Parrott: This amendment repeals and re-enacts section 35(a) which contains provisions enabling municipalities to pass by-laws to control certain detail features of new developments. The amendment is necessary because of a recent decision of the Supreme Court of Canada which declared a bylaw passed by the city of Toronto under section 35(a) to be invalid. The decision has implications beyond the city of Toronto, however, because there are at least 70 other municipalities in the province with similar bylaws.

INSURED HEALTH SERVICES ACT

Mr. Martel moved first reading of Bill 96, An Act respecting Insured Services under the Ontario Health Insurance Plan.

Motion agreed to.

Mr. Martel: The purpose of the bill is to declare that surgical procedures for breast reconstruction are insured services under the Ontario Health Insurance Plan.

[Later (5:30):]

Mr. Speaker: This afternoon the member for Sudbury East (Mr. Martel) introduced a bill entitled, an Act respecting Insured Services under the Ontario Health Insurance Plan. At the time the member made his explanation of the bill's purpose, I felt that it was a money bill. However, I reserved a ruling on it until I could examine it more carefully.

Having done so, it is obvious to me that as the bill would increase the services under OHIP, it must of necessity increase the expenditure of public funds under the plan. I must rule that the bill is a money bill which can only be introduced by a minister of the crown supported by a message from the Honourable the Lieutenant Governor.

The bill is therefore out of order and must be omitted from the order paper.

[Reverting (3:23):]

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, before the orders of the day I wish to table the answers to questions 14, 33, 38, 41, 59, 122, 171 and 172 standing on the Notice Paper, and the answer to a petition presented to the

House, sessional paper number 47. (See appendix, page 2042.)

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Pursuant to standing order number 13, I wish to indicate to the House the business for the remainder of this week and next week. This afternoon, we take into consideration ballot items numbers 13 and 14. This evening we will go to legislation, starting with Bill 49 in committee of the whole House, to be followed by a second reading and committee work if required, on Bills 32, and 33. Then we will consider second reading and committee work, if required, on Bills 22, 34, 72 and 73. Tomorrow morning, the House will sit in committee of supply to continue with the estimates of the Ministry of Northern Affairs.

On Monday, May 21, the House will not sit. On Tuesday, May 22, being Joe Clark day throughout Canada, this House will not sit.

Mr. Martel: Who?

Mr. Swart: Memorial Day, isn't it?

Mr. Wildman: Mordecai Richler calls Clark a little boy with the hollow laugh.

Hon. Mr. Welch: I just wanted to make sure you were listening. On Wednesday, May 23, the general government, resources development and justice committees may meet in the morning. On Thursday afternoon, we will consider ballot items numbers 15 and 16. In the evening on Thursday, May 24, we will take into consideration legislation, starting with any legislation not completed this evening, then turning to Bill 17. We will consider second reading and committee work, if there's time, with respect to Bills 43, 44, 45 and 46. On Friday, May 25, the House will be in committee of supply, carrying on with the estimates of the Ministry of Northern Affairs.

WITHDRAWAL OF RESOLUTION

Mr. J. A. Taylor: Mr. Speaker, on a point of order: I have on the order paper a resolution for debate this afternoon. This resolution provides for the consideration by this House of legislation which would prohibit strikes and lockouts in certain enumerated essential public services, such as sewage treatment, water purification and garbage collection. I have learned the government I support is somewhat sensitive about the issue being debated at this time. I have also concluded a free expression of opinion would not necessarily emerge from the debate. Accordingly, I hereby withdraw the resolution.

Mr. Speaker: Order. The honourable House leader.

Hon. Mr. Welch: The development, I must say, has caught the entire House by surprise. We were going to have two items and I simply indicate, Mr. Speaker, all of us have come this afternoon assuming those two ballot items would be discussed today. The first indication the House leaders had that one of the items would not be discussed was now, and I want that on the record. In view of the apportionment of time and the fact the rule calls for no vote until a quarter to six, I think the House might of its own want to make some arrangements with respect to time. We might want to decide whether or not this debate should take the full amount of time, or if we should fill in; or indeed that we might go to some other business and then resume at quarter to six for the voting of this item. I really haven't had a chance to consult with my colleagues in this matter, but I would suppose we might want to have some indication now.

Mr. Speaker: Our table officers are looking into it. It seems to me that the maximum time for any debate of this nature had been 90 minutes, but I understand that has been taken out of the standing orders and now equal time will be apportioned to the two balloted items on occasions such as this.

The chair will look for some guidance from the House leaders as to how they wish to proceed. We could use half of the available time between now and 5:50, and perhaps they could agree how we could use the time more profitably after half of the time has been spent. The chair looks for some direction in that regard.

Perhaps the member for Windsor-Sandwich can proceed. Since it has been procedural in nature, we will not deduct this amount of time from his presentation if he wants to take advantage of the full 20 minutes. But I will look for some direction from the House leaders as to how they might wish to spend the balance of the time between now and 5:50.

[3:30]

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Bounsall moved second reading of Bill 3, An Act to amend the Employment Standards Act.

Mr. Speaker: The honourable member has up to 20 minutes for his presentation and

he may reserve any portion of it for the windup.

Mr. Bounsall: Mr. Speaker, I introduce this bill with a great deal of enthusiasm and pride. The purpose of this bill is to establish in Ontario, equal pay for work of equal value.

Interruption.

Mr. Speaker: Order. I must remind our visitors in the gallery that we do not allow any outbursts. They are perfectly welcome to be here to view and to listen to the proceedings, but they must remain quiet. I will ask them to respect that. The honourable member for Windsor-Sandwich.

Mr. Bounsall: Thank you, Mr. Speaker. That certainly was not organized by me. I would just make a comment at the beginning of my address, Mr. Speaker. Because of the very great importance to all the women in this province of the concept of equal pay for work of equal value—and to anyone in this province who cherishes justice—I would hope that the decision of the House leaders would be that we would spend the entire afternoon on the discussion of the principle of this very important bill.

I was surprised but delighted to see the enthusiasm of members in the gallery for the presentation of this bill, because I believe they feel very strongly, as I do, that the time has come, if it is not long overdue, for this legislation to be in the books of the province of Ontario.

This legislation would end any discrimination or differential in pay which exists on the basis of sex. The present Employment Standards Act would be replaced by the sections in this bill. The Present Employment Standards Act contains only the provision that there will be equal pay for men and women when performing substantially the same work. This did help, when it was introduced back in 1974, in equalizing the pay between men and women who were performing very nearly equal work, such as orderlies and nurses aides. However, it does absolutely nothing beyond that for the women-only jobs, which are traditionally paid, irrespective of their skill, effort or responsibility involved, at rates much lower than those for men-only jobs, although the same employer is involved.

There have been instances, which members of the government party may well quote and in which we rejoice when they occur, where there have been groups of men and women in which they are not necessarily performing substantially the same work—there are some minor differences—but in which equal pay has been achieved. I refer

specifically to the public health nurses and the public health inspectors working for the city of Toronto. But let me assure the Speaker and the House that it was not the Employment Standards Act that brought this about; it was primarily because there was a group of very bright, very articulate and very well-organized women in that nursing sector in the city of Toronto, and because of their very strong efforts and presentations, that that equal pay situation came about. If they had had to follow only the protections under this act, they would not have achieved it.

This act must be changed to ensure that jobs across this province are valued in the nature of their worth to the company and that those jobs are then paid according to that value to that employer, irrespective of who fills that job, a man or a woman. Until that happens, we will not have any justice or any equality in pay, and it is based purely on a differential of sex only across Ontario.

The idea of equal pay for work of equal value is not a new one; it was first passed in 1971 by the International Labour Organization convention number 100 and ratified at that time by 83 countries. This convention was ratified in Canada in 1972 when it received approval in principle from all provinces, including Ontario, yet Ontario has to date done nothing to implement that commitment. There was an internal ministry report advocating equal pay for work of equal value some two years ago, which was rejected by ministry officials. There is absolutely no activity or consideration of equal pay for work of equal value taking place within the ministry now. As I understand it, that concept has been killed totally within the ministry, which is a disgrace and this gross discrimination against women continues in Ontario.

At this time may I just take some time to quote some of the figures from Statistics Canada for a variety of occupations. It is very clear that this discrimination continues to exist. These are 1975 statistics. The average income of full-time workers by occupation shows this breakdown: In managerial occupations, women's average salary was only \$10,805; the men's average salary was \$18,747. In the professional category, for women the average was \$9,952; for men, \$16,772. For clerical occupations, where women have historically dominated, the gap is clearly there and is clearly far too wide: for women, \$7,157; for men, \$11,045. In sales: for women, \$5,545; for men, \$13,758.

We can go on through a whole series of categories indicating the gross discrimination in gaps which exist between men's salaries

and women's salaries. In the transport Industry, for example, women's average salary was \$6,660; men's, \$12,174. In the service industry, women again very much lower: \$4,711, as compared to the men's average salary of \$10,136.

The gap continues to widen over the years. The gap between women's wages and men's wages has grown over the past 10 years for which we have figures. In 1965, the gap was \$2,694 on average for full-time wage earners; by 1975 the gap had widened to \$6,060. So we are not achieving, by any of our efforts, any lessening of that gap, nor are we achieving any equality. We are in fact moving further away from it.

It is clear that the private sector, under the existing legislation in the province of Ontario, is not redressing nor is it interested in redressing these huge pay differentials. From the Ontario government's own women's bureau figures, in 1976 women's average earnings were only 53.5 per cent of male average earnings. Who are these women in the work force, one might ask? We have some attitudes from the federal government which wants to classify them as secondary wage earners. In changing the Unemployment Insurance Act the federal government wants to put them in a much more discriminated against situation.

But who are these women in the work force? Sixty-one per cent of these women in the work force are single, widowed, separated, divorced or married to men whose earnings are less than \$10,000 a year. They all must work and most of these are sole supporters of either themselves or their families. They must and will continue to work and the compensation for their labour must reflect this.

The women's bureau newsletter of February 1979 cites that in 1976 the average income of male-headed families was \$19,803 in Ontario, and of female-headed families only \$10,327. A staggering 42 per cent of these female wage earners had family incomes which fell below the poverty line, as compared with only 9.2 per cent of the men. We have women in Ontario in a poverty situation in the work place.

In my bill, the only criterion to be applied in assessing the value of the job to an employer is a composite of the skill, effort and responsibility required in the performance of that work. I have had cause over the years to be in various plants, and when I am there have a look at some of the jobs that are performed. I was struck by the situation in one plant in particular that I visited a couple of years ago, a plant at which jeans are made, in which all of the sewing-machine operators who were doing very intricate work in stitch-

ing the seams and attaching the pockets were paid, on average, about slightly more than a dollar less than the man who loaded a stack of 12 pairs of jeans on to a cart and then wheeled the cart away.

If one evaluated the skill, effort and responsibility of the job performed by the man compared with the work done by the machine operators, it would be quite clear to anyone that in that company the women were performing with much greater skill and a much higher degree of responsibility, and at the rate at which they were working with much greater effort and output. It is that kind of imbalance which must be redressed by an evaluation system across Ontario.

The bill provides for evaluation to be done by an employment standard officer. If he finds that in a given company there exists an improper evaluation, he may order that correction, and in certain circumstances order back pay to make up the differential.

Mr. Speaker, it has been said to me occasionally that this would perhaps require the formation of an entire cadre of employment standards officers and that we would be expanding our bureaucracy to a great extent. The answer to that, I firmly believe, is no. When we put a law on the books of the province of Ontario, most people in Ontario respect and obey that law. Many employers would, therefore, start almost immediately to take that law and apply it within their own plants without urging, devising for themselves a system of evaluation of jobs and paying a rate for those jobs which would reflect the effort, responsibility and skill required.

It is only with certain employers that an employment standards officer would have to go in after receiving complaints that this was not being done. I do not envisage a whole cadre of additional officers needed for the employment standards branch if this bill passes to achieve the net positive result we all seek. But even if that were required, it would be a very worthwhile, necessary effort, and one which would bring justice to our system in Ontario.

I might say, through you Mr. Speaker to the Minister of Labour (Mr. Elgie), that this is a very necessary part of the work situation in Ontario. The Affirmative Action Program is not the answer; it is certainly not the answer in and of itself. Affirmative action, if successful, provides an opportunity only for a woman to get a job. But what kind of a job? What kind of a job and what kind of work? In the present situation, what are we providing for them if we only provide an opportunity to be ghettoized in these lower-paying jobs? Although it is a very necessary

thing to have an Affirmative Action Program to provide the opportunity for women, it is virtually useless if it doesn't go hand-in-hand with equal pay for work of equal value so that in the jobs those women then get they are properly paid and properly remunerated for the skill, the effort and the responsibility they have in those positions. Affirmative action by itself is a very voluntary thing. Whenever any employer is visited by someone he can certainly appear to be agreeing to everything that is being said in terms of opportunities for women to be employed, but too easily he can just never accomplish it.

[3:45]

The appointment of the Advisory Council on Equal Employment Opportunities was the minister's reply on International Women's Day to questions as to what the ministry is doing this year. His reply to this effect in the House, when I asked him the following day if there was going to be any legislative activity in this coming year or would it be a big goose egg, as has been the situation for years now in this Legislature, is certainly not the answer. It's a group which intends to meet only three to four times a year and report upon what progress, if any, has taken place on the affirmative action side. It certainly does not at all speak to the pay that the women will be receiving out there in the work place, nor to the fairness of that pay for the skill, effort and responsibility which they are required to perform in that work.

Equal pay for work of equal value has been instituted by the government of Canada for its 10 per cent of the work force across Canada and by the province of Quebec. My bill closes some loopholes which exist in the government of Canada's bill, which would allow other factors to come in, and other factors will come into many situations. The only things which should be considered are skill, effort and responsibility; and the only differences allowed in this bill would be ones on seniority or the quantity of production.

I would personally prefer not to have quantity of production as one of the variables, but I can't reform the entire working place in the province of Ontario all in one bill, and at the same time get rid of the piecework situations that do occur.

Mr. Wildman: You'll have to do it; the minister won't.

Mr. Bounsall: I've had many groups across the province of Ontario send me telegrams and messages of support over the last couple of days. They include the Ontario Status of Women Council; the Ontario division of the Canadian Union of Public Employees; a

group that's been working very hard to obtain equal pay for work of equal value called the Equal Pay Coalition; and the Ontario Federation of Students. A telegram was just handed to me from the Ontario Nurses Association, saying it was speaking on behalf of its 10,000 members across the province of Ontario urging this government to support this legislation.

The Ontario Federation of Labour representative and the CUPE representative on the minister's committee are very committed to equal pay for work of equal value. If this committee cannot move in that direction, they say they must very seriously consider their participation on that committee.

I've heard from the Association of Women Executives, the Business and Professional Women's Clubs of Canada, the Ontario Federation of University Women, federation des femmes canadiennes-françaises, the National Action Committee on the Status of Women, the Ontario Council on the Status of Women, the Ontario NDP Women's Committee, the Ontario PC Association of Women, the Women's Liberal Commission and Women and the Law.

Mr. Warner: What about the Minister of Education (Miss Stephenson); did she stand up you?

Mr. Bounsall: Virtually every women's group in this province that one can think of wants this bill passed, and nothing short of putting equal pay for work of equal value in legislation will be effective. Clearly, the time has come for justice to prevail in this province. Discrimination in pay and salaries on the basis of sex alone must end totally and now.

Mr. Deputy Speaker: The honourable member has one minute remaining. Does he wish to reserve the one minute?

Mr. Bounsall: Yes.

Hon. Mr. Elgie: Mr. Speaker, as the minister of this government bearing special responsibility for employment policies affecting women, I have a deep concern and determination that workable solutions be found to remove compensation inequities facing women in the work place.

Mrs. Campbell: In which year?

Hon. Mr. Elgie: I hope the member for St. George is still around. I enjoy her company. I hope she doesn't go.

Mrs. Campbell: I'm not going.

Hon. Mr. Elgie: I would remind members that, historically, Ontario has been a leader in the enactment of equal-pay legislation. The Female Employees Fair Remuneration

Act in 1951 was the first piece of legislation in Canada dealing with equal pay. Since that time, successive amendments to our legislation, and in response to a developing jurisprudence, have led to the enactment of the present section 33 of the Employment Standards Act, a section which provides substantial protection against discrimination in payment based upon sex.

While existing Ontario legislation compares favourably with that of most jurisdictions in North America and of those in western Europe, I do not for a moment suggest that we have achieved perfection.

Mr. Warner: That's why we've got a bill today.

Hon. Mr. Elgie: Down, boy, down.

Aside altogether from the equal-value issue, to which I shall turn in a moment, there are aspects of the present section 33 which deserve serious consideration as well. For example, the existing protection extends only to employees employed in the same establishment, and I think it may legitimately be asked why a single employer having a number of establishments ought not to be required to maintain equal-pay provisions for all of them. Similarly, I am concerned that we do not permit the intent of the section to be evaded; for example, by allowing employers to lower the pay rates of male employees to achieve equality. I am confident that reforms of this kind can soon be achieved.

I would now like to turn to the bill introduced by my friend and colleague from Windsor-Sandwich. It is difficult to quarrel with equal pay for equal value as an abstract principle of equity. However, I think we all must be concerned about how that principle can be translated into practical, workable and enforceable legislation.

As members may recall, the Ministry of Labour published a discussion paper in late 1976 which raised a number of problems about the concept—problems relating to definition, measurement techniques, labour market implications, cost and enforceability. The paper was widely distributed, and recipients were invited to comment on the specific problems as identified.

As I think my friend knows, the response to that paper was rather discouraging; by that, I mean there were relatively few responses and those that have been received shed little light on the important issues raised in the discussion paper. I want to make it clear that my mind is far from closed on the issue of equal pay for work of equal value, and I am sincerely seeking assistance and

guidance in assessing the very difficult issues raised in that discussion paper.

The paper points out, for example, that one of the threshold questions relates to the establishment of an appropriate and reliable test for determining relative value. If it is assumed that market-determined values may not be ethically fair, socially desirable or practically efficient in this area, which alternative criteria may be substituted for the market? The most common alternative proposed is some broadly based system of job evaluation. However, few would pretend that job evaluation is an exact science. Moreover, as the ministry's paper points out, the results of purportedly objective and scientific job evaluation can be influenced by many of the same factors which affect wages as they are determined now in the marketplace, either by collective bargaining or otherwise.

I do not suggest any of these problems are insuperable, but I merely point them out to show that job evaluation as a measurement technique does have its limitations. The United States Equal Employment Opportunity Commission, for example, has commissioned a \$250,000 study to examine whether it is feasible to develop job evaluation methods that are fair, objective, comprehensive and bias-free. You can be sure that when the results of this study are released at the end of this year, we will examine them very carefully.

I wonder as well about the extent to which equality of value can be fairly and satisfactorily reflected in terms of pay alone. What about the significance of related matters having to do in general terms with the quality of working life? Should not the evaluation equation be affected by the environment?

I am troubled, as well, about the implications equal value has for the work force as a whole. Does the concept and the implications flowing from it not transcend the male-female equality problem that we are concerned about today? If one is to legislate equal pay for work of equal value, what about the comparisons where sex is not affected. Does the principle contained in the member's bill mean we must have a universal comprehensive job evaluation scheme covering the entire labour market eventually, so that the social value of a tool and die maker, for example, must be rated or evaluated in relation to other totally unrelated benchmark occupations? I raise this not frivolously or facetiously, but because I am genuinely concerned about the breadth of the proposal.

Mr. McClellan: You are concerned about everything.

Hon. Mr. Elgie: I am concerned about you and I will get that dog of mine after you again.

In this connection I think we must be clear about the way in which the equal value concept can be reconciled with our collective bargaining system. It has been my observation that in bargaining, wage levels are determined by the realities of the work place and the priorities of the bargaining unit operating as a collective. Does the equal value principle mean that bargaining goals are to be circumscribed by an overriding government imposed concept of equal value? If so, where does the notion end? Does it inevitably lead to some sort of incomes policy, with everyone assigned and locked into some place in a wage hierarchy? That may be the logical end consequence of an equal value concept and that may be something we will want to look at some day in the future.

We are, I suggest, back to the original question that I raised: what are the criteria upon which relative values are to be based? Even more fundamentally, perhaps, who is to develop, impose and enforce these criteria?

I repeat that I don't ask these questions facetiously, but rather in a genuine effort to try and understand where the principle, which I have conceded on its face is a laudable one, leads us.

As I attempted to indicate, we are still looking for satisfactory answers. This is not to say that answers don't exist. The ministry discussion paper dealt with the experience of other jurisdictions, including the United States, the United Kingdom, New Zealand, France and the Netherlands.

Mr. Martel: Who wrote that, Genghis Khan?

Hon. Mr. Elgie: No, your son. You know what has happened to him, he's coming around.

I think it is accurate to say that only in the latter two jurisdictions does the equal value concept apply, at least nominally. The available literature does not cast much light on how evaluation problems to which I referred have been tackled in those countries.

Since the publication of the paper, the federal and Quebec human rights codes containing equal value provisions have come into force. We are monitoring the experience under those acts with great interest, but so far it is too early to tell what results will emerge.

I have purposely used the time allotted to me to share with members the concerns I have about the equal value notion. I could have spent much time on collateral but related matters concerning the activities which

we have undertaken to enhance the prospects of equal opportunity for women in the labour market.

It has often been said that equal value is no substitute for equal opportunity, for example, and I think members know of the aggressive action this government has taken in the equal opportunity field. I believe we have set an example through our five-year-old program on equal opportunity within government, monitored by the women crown employees' office in my ministry. I also believe the equal opportunity advisory council confirms our commitment to this principle.

I am committed to the principle that this province must ensure equality for women. I will work for real solutions to the problems and removal of barriers which exist, in order that the legitimate work aspirations of women can be realized. Ultimately it may be that the equal value concept can be translated into legislation. However, as I have indicated, many questions remain to be answered before a sound and responsible legislative decision can be made. For that reason, I regret I cannot at this time support the honourable member's bill.

I assure him and other interested parties that the concept is not dead in this minister's mind, and I reiterate that. Let me assure him there is no more vocal spokesman about the issue of inequities facing women in the work place than this minister.

[4:00]

Mrs. Campbell: Mr. Speaker, there are occasions when I have to rise in this House with a deep sense of humiliation. As a woman, I am, in the year 1979, once more trying to prove that women are people. That is really what the essence of this is all about. The minister is so concerned about equality. I knew what the minister was going to say before he said it.

I have written to the minister on a simple matter, something that shouldn't take years of study, and that was: "Why, if we are studying the quality of life in the work place, is it an all-male corporation?" Do you know what his answer was? I'm paraphrasing but I think he will correct me if in any way I misinterpret what he said. He said: "I am not trying to make decisions on the basis of sex. My deputy chose these people and we were looking for the best people," so therefore, of course, automatically the best people were all males.

He has assured me, however, that the committee, which is made up of labour and management, did not feel that they should enlarge that committee at this time, but if

somebody retires or dies he's going to think about putting a woman on that committee.

What we have to remember is that this matter was debated in International Women's Year in the committee where the Liberals led the field in trying to get this amendment through. The minister of the day said that really the people of this province were not ready for that. I must confess that I was terribly disheartened when some of the spokesmen for labour stood and scolded women for asking for this on that occasion.

However, that is no longer a part of this debate. All I wanted to demonstrate is that this government has had all that time to give thought to this and we're still going to study it. Of course, on that occasion what we did to give equality to women basically, to make sure they were equal, was to eliminate for them, at a time when sexual violence was growing in the community, the right to be protected at night when they left on the graveyard shifts. So much for the philosophy of equality of this government.

Let me just say what this government is prepared to tolerate. Between 1974 and 1976, the gap in salaries and wages, in earnings, widened faster than it did between 1969 and 1971; but that's a hip, hip, hurray, with this government, that's why there's no urgency. It has already been stated a woman in a managerial position in 1969 was earning \$5,216 less than her male colleagues and this minister is worried about inequality; nonsense.

In 1971 the difference was \$5,762. By 1974 she was earning \$7,794 less and in 1976 the gap was \$10,846; and the minister wants to do more studies.

All I can say, Mr. Speaker, is that so far as I am concerned, I will fight as long as there is breath in me for this principle. I am not afraid to tackle the difficulties which we all agree would be inherent in trying to work out the job classifications and qualifications. Nor do I for one moment, intend to cease to fight for job opportunities for women, so don't try to separate the two. What I am fighting for is a recognition by this government, a recognition I thought was legal years ago, that women in fact are people. I will fight against discrimination for people as long as I live.

Interruption.

Mr. Deputy Speaker: Order. I would just like to remind our visitors in the gallery we cannot allow any demonstrations of any sort and I would ask them for the second time to govern themselves accordingly.

Ms. Bryden: Mr. Speaker, I rise to congratulate my colleague, the member for Windsor-Sandwich (Mr. Bounsall), on introducing this important legislation. He has been putting forward similar bills for several sessions, but this time I hope the House will adopt his bill.

If the bill passes, Mr. Speaker, we will simply be catching up to the legislation which has been in effect in the United Kingdom since 1970, and to federal legislation which is almost two years old. We will also be implementing a United Nations convention supporting this principle of equal pay for work of equal value, a convention which was adopted as far back as 1951 and was ratified by Canada in 1972 after consultation with the provinces. Mr. Speaker, we will be adopting a principle which the New Democratic Party has been advocating for a great number of years.

Mr. Speaker, the equal pay legislation the minister boasts about, which has been on the Ontario statute books since 1951, has really been a dead letter ever since it was put on the books. Even after several changes in the wording, it is still far too restrictive to be effective in guaranteeing women parity in remuneration for work involving the same skill, the same effort and the same responsibility and performed under similar conditions.

Mr. Speaker, the figures speak for themselves. The present law simply says employees shall receive equal pay if they perform "substantially the same kind of work." The number of complaints and the amounts collected have been pitifully small. In the past fiscal year, only eight employers were assessed and 29 employees collected a total of \$8,311. In the previous year, only nine employers were assessed and 20 employees collected a pitiful \$6,672.

Women in the full-time work force are at present earning only 53 per cent of what men make, as my colleague pointed out, and the gap is widening not narrowing, despite our so-called equal pay laws on the statute books. Female heads of families made only 50 per cent of what male heads of families made in the last year.

While those differentials are partly due to attitudes and to discrimination, they are also, of course, due to the ghettoization of jobs for women. But we will never end the ghettoization of jobs until we have adopted the concept of equal pay for work of equal value.

Over 97 per cent of secretaries are women. Two thirds of women are clerks, waitresses, saleswomen and hairdressers. Even here the

wage gap between male and female employees has been widening. In the past 10 years it has increased by 168 per cent. This seems to answer the claim, which the minister makes, that all we need is equal opportunity legislation.

The record in the public service seems to indicate that equal opportunity and affirmative action still does not close the gap between men's and women's salaries to any great extent. It would be nice to take the crown to court for violating a law that requires equal pay for work of equal value.

The legislation is simply not working. While the members opposite may say that legislation is not the best way to implement this principle and to overcome the barriers to economic parity for women, I believe it is very important to enshrine the principle in legislation. We have found this effective in other human rights fields. It is an integral part of the process of changing attitudes which are often the reason for women failing to be granted both equal opportunity and equal pay.

Only when the principle is enshrined in the legislation will governments and employers and trade unions set themselves seriously to developing the techniques for implementation of this principle. I must say I was very disappointed to hear the minister introducing a lot of red herrings about the meaning and application of the principle and how difficult it would be to sort out what would apply in implementing and enforcing the legislation. I think he was simply trying to find a reason for not voting for the bill.

The argument has also been made by the minister that we can leave the establishment of economic parity between men and women to collective bargaining, but a great many women are not in trade unions. Moreover, when he suggests that the attainment of equal pay should be left to the collective bargaining process, what he is suggesting is that all the members of a union forego needed wage increases and additional benefits in order to enable the employer to fulfil his obligation in justice to pay men and women at the same rate if they perform jobs requiring similar levels of skill, effort and responsibility and work under the same conditions in the same establishment.

[4:15]

Women have been subsidizing employers for decades to the tune of—estimates range from five to seven billion dollars. There is no reason why this subsidization should go on. It may be that the minister thinks his newly-appointed equal opportunity advisory council, announced in the speech from the throne this year, is a vehicle to deal with this problem.

In my opinion, this is akin to appointing an advisory committee of passengers and crew on the Titanic to study whether the ship is sinking.

The question of economic equality for women has been studied to death by this province. We have had studies and conferences and yet we have no commitment, no position statement on it. This advisory committee will meet, perhaps, three or four times a year and will have many items on its plate. It is certainly not the vehicle for achieving this principle.

The one advisory committee that knows what it is talking about on this subject has already spoken. It is the Ontario Status of Women Council. Its chairman, Lynn Gordon, said in her annual report for 1978: "Ontario's existing equal pay laws simply are not working for women. I urge the Ontario government to follow the lead of the federal government by enshrining the principle of equal pay for work of equal value in law. Only when we compare one job to another, using the criteria of skill, effort and responsibility, will we eliminate women's job ghettos."

Lynn Gordon underlined this in a recent letter to the members supporting this bill when she said, "The council is unanimously agreed that women in the paid labour force will not begin to reach economic parity with men in this society until the province's labour laws have been modernized."

Mr. Speaker, if members opposite vote against this bill they are reinforcing the opinion that they consider the status of women council to be simply a fifth wheel.

Mr. MacBeth: I am sure the member for Windsor-Walkerville will not be surprised to learn that I have entered the debate on this matter, to speak to this bill, because in the past we have had many long discussions on this very topic.

Mr. Bounsall: Windsor-Sandwich, not Windsor-Walkerville.

Mr. MacBeth: I apologize to the member because he has been the spokesman for this cause for a long, long time.

Having, as he knows, shepherded the present Employment Standards Act through this House and knowing it to be the best of all possible acts I consider that its integrity should be left untouched, and am, therefore, a little reluctant to see this amendment. However, I am speaking facetiously, as he knows, because the topic is one of concern to all, and I know the sincerity with which the member has put forward his amendment.

The member is espousing a popular and a just cause. I am sure I will be attacked for defending the present act and will probably

be misinterpreted in what I am about to say. It is not difficult for opposition to put forward this bill and support it, because as I said, it is a very popular and worthwhile cause. Yet at the same time, as we have said before it is up to the government to administer these laws. For that reason, and I suppose for no other, the government has to look twice at it.

Mr. Laughren: That's not so.

Mr. MacBeth: Well, it is so. The government has the responsibility to administer, and it wants to make sure what it has to administer is workable.

Everyone is against injustice. The failure of any employer to pay to women the same wages they pay to men for the same job is just that; it's an injustice. Common sense and harmony in the work place require equal pay for work of equal value. It seems to me the self-interest of the employers dictates they should attempt to achieve this.

However, the members have mentioned difficulties and regrettably this bill does not solve the difficulties, or does not find the answer to those difficulties. I hope soon the minister or someone from the opposition will be able to find a bill that will solve those difficulties. Because "equal value"—and I say "equal value" in quotation marks—is a matter of judgement and that judgement is in the eye of the beholder.

We all think we are doing a pretty good job, no matter what we are doing, and if we were asked to compare our work with that of the person next to us, we would probably say we were doing a better job than they are. In that sense I say equal value becomes a matter of the person who is doing that judging.

I believe the employer in this province still has a few rights. In my mind, one of those remaining rights is to decide the relative value to be placed on the various facets of his operation. The employer is more qualified to judge this value than some employment standards officer.

"It's no great problem," the members will tell me. "It is done every day in the unions." I know it is done every day in the unions, but I would remind those members opposite unions don't try to make their assessment on the basis of equal value, they make it on long-time, respected, categorizations that have been established over the years. A plumber gets so much, a bricklayer gets so much, and the value of that work is not taken into consideration at all. It is more history and tradition than anything else. Of course, it has been established over the long term, but very rarely do they compare the

work of one person with that of another person, but rather decide what category they fit into.

It is not very much of a problem in a large organization or where there is a unionized shop, but it certainly becomes a problem in a small office or firm. We in this House, and I have heard it said so many times, all want to help the small businessman. We pay lip service to how we can do this. At the same time, we continue to harass business by a growing number of intrusions. I suggest to the House, no intrusion will be more onerous, more aggravating, or more disruptive of harmony, than having a government agency making the kinds of decisions this bill will force that agency to make.

Mr. Grande: I thought you were saying this was just.

Mr. MacBeth: The members will say they don't anticipate too many of these intrusions, but I assure them, because of the nature of the assessments that have to be made, there will be many of them.

It will be interesting to watch how the small-business advocates vote on this bill. This is not just an amendment to say women shall get the same pay as men. The present section 33, regardless of how ineffective it may be, provides just for that, and I admit, we should work to improve that. But this bill, in effect, says there shall be no difference between wages paid to male and female employees who are performing work of equal value. The corollary is there shall be no difference between wages paid to males performing work of equal value. That, of course, is not now in the law, so it is not a case of comparing one woman's work against one man's work, but comparing one man's work against another man's work, and one woman's work against that of another woman. We are opening up a field we have not travelled before. As I say, it is not a case of women against men, but of assessing one job against another in all facets of that place of business.

Who decides whether the salesman is more valuable than the worker who makes the product? Referring to law officers, who decides whether the title searcher in a law office is more valuable than the process server?

I think I can point to a few legal secretaries who are more vital to the operation of law offices than the lawyer. That's not hard to do.

An hon. member: The ministers' assistants could fall into that category as well.

Mr. MacBeth: Their work is more productive in many respects than the lawyer's. If work of equal value is what has primacy, then of what importance are degrees in seniority? The member is ready to recognize that equal value is not the only thing one should take into account; if it's not the only thing, then why is it that he can recognize degrees in the teaching profession and the matter of seniority if the real criterion is work of equal value? One can't have it both ways. The member even wants to allow a difference for quantity. Quantity and quality, of course, are entirely different things. Surely, these items are inconsistencies. Over the years, society changes its views of values as well. Once a PhD was considered fairly valuable. A skilled trades certificate is probably regarded and is, in fact, much more valuable in today's society.

So I say who is to decide this work of equal value? Who is to decide it in such fields as the arts?

Mr. Grande: Obviously you aren't deciding it.

Mr. MacBeth: Who is to decide it in the field of politics? Who is to decide it in the field of research? Who is to decide it in professional sports? I'd like to play around with that one for a little while.

The Employment Standards Act has general application. It's not limited to the factory situation. It's in all employment places.

What are we going to do in the world of sports if they decide the goaltender is worth a little bit more than the right winger or some other position? This act has wide implications. It is not just limited to the work place as, I think, many of the members understand.

There is a paradox which I fail to understand with the socialists across the way. They always are objecting to government, generally "the government." They are most critical of this government but no one appears—

Mr. Grande: Only the injustices that you perpetrate.

Mr. MacBeth: —to have greater faith in bureaucracy's ability to accomplish tomorrow what they have failed to achieve in the past. I think they are still dreaming of perfection through legislation.

Mr. R. F. Johnston: Why don't you get rid of all of the legislation?

Mr. MacBeth: It might be better but certainly we're not going to correct this world by way of the kind of legislation the member is putting forward today.

I have no quarrel with the idea that men and women doing the same job should re-

ceive the same pay, but we're not going to do it by this kind of legislation. We have to do it by education.

The member for St. George refers to the number of years. It may take a few years to change this after all the years these inequalities have existed. But in the last few years we have made great changes and great progress in coming to this field. I hope we can continue at a faster rate, but if we continue even at the rate we've done in the last five years we'll be doing well.

Mr. Speaker: The honourable member's time has expired.

Ms. Bryden: You're going backwards.

Mr. MacBeth: So I'm not a supporter of government, per se, and to adopt this bill would increase the bureaucracy manyfold and could create more injustices than it would rectify—

Mr. Wildman: Especially this government.

Mr. MacBeth: —without effectively aiding the position of women in the workplace.

Mr. McGuigan: Mr. Speaker, I rise to support the bill brought forward by the member for Windsor-Sandwich and I wish to congratulate him for bringing it forth. It is a shame we are here today to debate a private member's bill on equal pay for equal work rather than legislation put forth by this government. I'm afraid that's a vain hope, though, judging from remarks that have already been made.

We all know this government ultimately ignores or discredits ideas put forth in private members' debates; that is illustrated here today. Nonetheless, it is a good opportunity to go over the past record of this government on the issue of fair employment practices for women, and again impress upon the Conservative Party how present Ontario employment standards legislation perpetrates discrimination on the basis of sex.

[4:30]

It's been 28 years since the equal pay for work of equal value concept was set forth by the International Labour Organization. Early in 1978, the federal government saw fit to enshrine this principle in the Canadian human rights bill so all female employees of the federal government and its agencies would be protected from employment discrimination. In Ontario, however, the federal protection does not extend to 90 per cent of the province's working women.

We might ask: How has Ontario responded to the concept of equal pay for work of equal value for women? In 1975, the Labour minister, then the member for Humber (Mr. MacBeth), the speaker who preceded me,

turned to the Bible in an attempt to explain what he meant, saying—

Mr. Mancini: He was trying to blame God.

Mr. Handleman: God's a Liberal, that's why.

Mr. McGuigan: —society was not completely sold on the idea. He asked: "Do you remember the parable about the workers going into the fields? Well, there were different rates of pay." I'd like to remind the honourable members that the Lord Jesus Christ was probably the first—

Mr. Watson: Liberal?

Mr. McGuigan: I think he was Liberal all right, but he was the first one who recognized women when he spoke to the lady at the well.

From this low point in the debate, the Ontario government moved on to preparation of a discussion paper on the subject, a paper that the subsequent Labour minister, the member for York Mills (Miss Stephenson), warned could not recommend policy, but rather would stimulate discussion.

Mr. Haggerty: One of our worst Labour ministers.

Mr. McGuigan: I might add as well that the 1976 discussion paper had a rather negative approach to the concept, stating in detail the problems of administrative implementation rather than endorsing the human rights principle at hand. Again in 1978, there were more discussions arranged and ballyhooed by the government. Twenty thousand dollars was spent on a two-day conference at the Royal York Hotel, and about 250 attended. Yet this public relations gesture backfired somewhat when many of the guests made strong public statements condemning the forum as an apology for inaction. We have certainly had that this afternoon.

The director of the Ministry of Labour's women's bureau was quoted, along with the Deputy Minister of Labour, as admitting the present legislation is limited and inadequate.

Now it's 1979, and a full two years after the federal government introduced the equal pay for equal work of equal value concept in its justice committee. Ontario's Conservative government is still stalling on any meaningful improvements in the situation of working women, and the wage gap between men and women is widening at increasing speed. I won't mention those statistics because they have already been given.

In token recognition of International Women's Day this year, the Minister of Labour announced the establishment of yet another government committee to study the

equal-value concept. Meanwhile, there has been no action taken to require affirmative action programs as a condition of contract compliance with businesses with which the Ontario government does business. My Liberal colleague from St. George introduced a private member's bill to this effect back in 1978. That lady has always acted as a strong advocate for economic and human rights and equality for women, but this government seems to become more defensive the more it is criticized.

I notice the minister said in one of his interjections that the member for St. George is ours. Well, she is, and we're darn proud of her.

Why should Ontario, traditionally touted as the richest province in Canada, want to stall any longer on improved employment protection for women, even though the former minister the member for York Mills, used the argument that adoption of equal pay for work of equal value would result in fundamental changes in the basis of wage determination in a free market economy.

Mr. Ruston: The worst Labour minister we've ever had.

Mr. McGuigan: Is the government really fearful that Ontario cannot manage to institute some very progressive legislation, and not be the better for it?

Mr. Haggerty: Don't use the word "progressive." It doesn't exist over there.

Mr. McGuigan: It's supposed to be part of their name.

After all, Ontario is frightfully behind the United States, the province of Quebec, the United Kingdom, Switzerland, New Zealand, the Netherlands, and Canada's own federal government in testing and implementing fair employment practices for women. The criticism that implementation of the equal-value scheme would cost employers too much must be rejected.

As federal Justice minister, Mr. Basford, said in 1977: "I would like to make it clear beyond any possibility of misunderstanding that as a parliament we would be wrong to accept that the economy of this country can survive only on the basis of equal pay for women doing work equal in value to that done by men."

We just heard the argument put forward. I too believe the human rights principle must stand foremost as the object of our debate. We have heard the economic argument so many times before. I guess it started back when Henry Ford introduced the \$5 a day wage for his workers, but we continue to

progress and we continue to have a better standard of living.

Serious consideration of the principle embodied in this private member's bill before us today has an added significance in view of this government's avowed commitment to improve the protection in the Ontario Human Rights Code. This House has yet to see legislation amending the present code. I might add that those in the community who can benefit from written protection are getting impatient with this government's reluctance to table changes recommended back in 1977. I still hope this basic human rights principle can find some expression in Ontario's promised revision of the code.

Beyond what I have just said, there are some specific points I would like to make in support of Bill 3. These points relate to the burgeoning participation of women in the labour force and obvious inadequacy of current provincial legislation. Canadian women have entered the job market at such a rate in the last few years that what was expected to be the 1986 level of participation had already been reached, seven years earlier. We should prepare for even higher rates if Canada follows the trend set in many other countries.

Studies show that not only are women still concentrated in the low-paying job ghettos, but they are actually losing ground compared to male workers in their ability to earn. I have mentioned that the wage gap is growing faster now than 10 years ago and I would suggest it is because the present equal-pay laws are not effective.

In Ontario, the vague definition of "substantially the same work" allows companies to keep women's pay rates low by simply giving them slightly different job duties or by keeping certain jobs filled only with women. This means that such jobs can be assigned a uniformly low wage rate because all the workers involved are being treated equally. The concept of work of equal value is lost or diluted by laws that define equal work as the same or similar work.

As well, the legislation does little to encourage a woman to initiate a complaint, because it puts the onus on her to prove her case while there is not a similar onus put on the company. The fear of company reprisal is also a strong factor limiting the full use of present laws. As long as women workers fail to make noticeable gains in equal pay issues there will continue to be a reticence to proceed with legal action that will be costly and very hard to win.

Another problem with present Ontario law concerns the definition—

Mr. Speaker: The honourable member's time has expired. The honourable member for Scarborough West. You have only one minute.

Mr. R. F. Johnston: This was going to be my maiden speech.

Mr. Speaker: That's how long it is going to be.

Mr. R. F. Johnson: My goodness, a summary. One of the Liberal members just asked me to give him some of my time. I don't think I will be able to.

I think this is an important bill. I think it is one the government is two-faced not to accept. I would like to throw back the minister's statement that he made in a speech on women's rights to the Hastings County Councillors' Association on May 1 of this year, which he ended by saying, "When we talk about seeking the best talent regardless of sex, one analogy seems particularly apt: if you have two barrels of apples to choose from, you may never have to scrape the bottom of either."

My statement is that there are not two barrels, there is one. There are people who are in the work force, not men and women that you separate out.

Mr. Speaker: The member for Windsor-Sandwich for one minute.

Mr. Bounsall: Mr. Speaker, I would have willingly given my extra minute to the last speaker. Let me just end up by saying that, while I have been sitting here, I have received a letter from Employment Services for Immigrant Women, in which the immigrant women would like to attest to their unequivocal support of this amendment to the Employment Standards Act to provide equal pay for work of equal value. I cannot think of a group of women in our society who are more discriminated against in their job classifications generally, in the work they do, than immigrant women. We feel for them in their position.

I might add that in one section of the Ontario Status of Women Council's prepared remarks today—

Mr. Speaker: The honourable member's time has expired.

Mr. Bounsall: —they report that "the poor of this country were youth, the aged and women who head single families"—considering half of youth and half of the aged are women, the problem of the poverty of women becomes immense—"the greatest reason for this phenomenon in our society is that women work in female job ghettos which are undermined in the marketplace."

Mr. Speaker: This item will be stood down until 5:50.

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 22, An Act to amend the Ministry of Consumer and Commercial Relations Act.

Hon. Mr. Drea: Mr. Speaker, I will be very brief. The purpose of this bill is to allow ministries other than the Ministry of Consumer and Commercial Relations to use the Commercial Relations Appeal Tribunal (CRAT) for purposes of appeals from their decisions. This is in line with the Wiseman report, which would consolidate agencies, boards and commissions, but in this regard it would consolidate appeal boards. This amendment to our act is not obligatory upon any other ministry. It is up to them to change their own act to put their appeal cases on decisions of the individual ministry before CRAT. All we are doing is facilitating the use of CRAT by other ministries.

Mr. M. N. Davison: Mr. Speaker, I agreed on behalf of my party to go ahead with these bills this afternoon, as opposed to this evening, because we found ourselves in a position where we had some free time. I trust that the Liberal critic was informed of these changes. Are we in a situation where he will be able to be here in a few moments? I am advised that we are.

The basic aim of the bill, to expand the operations of the Commercial Registration Appeal Tribunal by allowing it to deal with appeals from acts administered by people other than the Minister of Consumer and Commercial Relations, is a good one. It is one that we will be supporting and, therefore, we will be supporting the bill on second reading; in fact, we will be offering no amendments to it. I would like to make a few comments about it, though.

It is my understanding that the expansion of jurisdiction of the tribunal will lead, in accordance with the Wiseman report, to similar bodies in other ministries closing up shop, as it were, over a period of time. I assume that is the aim, and I think the minister is nodding his head in agreement. The compendium that was supplied by the government put it fairly well on the minister's behalf when it said that the availability of CRAT for use by other ministries "eliminates duplication of effort and reduces overall costs."

Before we pat ourselves on our backs, though, do we have some kind of estimate

as to what might be going in terms of similar bodies in other ministries? Has somebody in the ministry done an analysis, first of all, of which similar body it is in which ministry; secondly, will there be any reduction of people involved in the process; and, thirdly, what might be the expected cost savings of this action? I hope perhaps when he's closing up he can respond to that briefly.

[4:45]

The section of the bill which deals with the addition of industry representation from industries other than those currently under the legislation is one I think that's consistent with the spirit of the tribunal as established in its work and in the legislation. But I would like to raise with the minister the concern that while industry representation is probably a good idea and while it makes sense to continue that with new industries brought in from other ministries, has he considered the idea of putting consumer representation on the tribunal?

Hon. Mr. Drea: There is now.

Mr. M. N. Davison: Under the current legislation, the Lieutenant Governor in Council appoints the people to the tribunal.

Hon. Mr. Drea: They are full-time members.

Mr. M. N. Davison: Section 7(3) says: "The Lieutenant Governor in Council shall appoint six members of the tribunal and shall appoint one of such members who shall be made a full-time member as chairman and may appoint one or other such members as vice-chairman. In the tribunal, as I understand it then, there is that basic group that's appointed. Then there is also the appointment or bringing into the tribunal's affairs representatives from the various industries involved.

Therefore, if I am correct in that assessment, we have a body where the industry voice or representation far outweighs that of the consumers. For example, section 7(7), which is the one that deals with who will sit on a particular appeal, very clearly points out that at least one of the people hearing the appeal will be somebody appointed under section 7(4), i.e., somebody from the industry. There's no group of people as part of the tribunal who are representing the consumers involved in each of the particular industries.

I am suggesting that that may be a concept the minister would like to consider, not now, but at some time in the near future. He may even consider at that time a parallel to section 7(4), which would ensure that when the tribunal sits down there is a consumer representative involved in that industry or

with some competence in that industry so that there would be a consumer representative, an industry representative and one neutral person, if we can find such beings, and I am sure we can.

The other matter I wanted to deal with very briefly is section 3 of the bill which dumps the nine-member Consumer and Commercial Relations advisory committee. I think that's probably a fairly useful thing to do. That body was advising the minister on financial and commercial matters. I am not too sure as to how frequently they met with the minister to advise him. I think it was infrequently, although I don't think it was a telephone booth sort of meeting. I think they were real but they are no longer relevant as we perhaps thought they were at the time of their creation.

The position of the New Democratic Party is in essence in agreement with what the minister's doing and in agreement with the recommendation of the Wiseman committee, with the one exception that the minister should take a look at the Commercial Registration Appeal Tribunal in terms of consumer representation with the point of giving the consumer an equal voice to the industries involved. If the minister, in his closing comments, would make reference to that I would appreciate it.

Mr. Breithaupt: I welcome the opportunity, even though it came upon us rather suddenly, to speak on second reading of Bill 22. As members are aware, the proposed change in the Commercial Registration Appeal Tribunal has developed from one of the recommendations in the agency's review committee, which was chaired by the member for Lanark (Mr. Wiseman).

Essentially, as we see it, the role of the tribunal is going to be expanded to permit representation of any industry registered under the act under which hearings are assigned to the tribunal, whereas at present, of course, it relates only to those acts that are the responsibility of the ministry at the present time.

The member for Hamilton Centre was wondering about the numbers of hearings that had been held. It is my understanding that in 1977 the number of decisions made by the tribunal was 26, and that figure more than doubled, to 55, in 1978; which, of course, has reflected a substantial increase in the enforcement activities of the ministry. I must say that I find that increase an encouraging one, because I think there are sufficient problems, even some of those raised in the question period today, that seem continuously to arise, whether it is a matter of the bank

inspector comment that the honourable minister referred to in response to the point raised by the member for Windsor-Walkerville (Mr. B. Newman) concerning phoney invoices, or whether it is a number of other of these scams that routinely come up somehow, like the dandelions each springtime.

I think the broadened scope of the activities is going to create a greater workload for the members of the tribunal, but it may well be that at the present time, in order to get a broad variety of experience and activity within the tribunal, they really have been underutilized. I think if persons are appointed to organizations such as this tribunal we have a responsibility to ensure that the workload is sufficiently stimulating that expertise can develop, awareness within the public that this tribunal exists can be seen and, finally, that the members really feel they have something to contribute because they are being called upon for their involvement on an encouraging basis.

I recognize, of course, that the tribunal will continue to meet only as it is required to do so, but if the scope is to increase, as the figures from 1977 to 1978 show, then I think this tribunal is going to be an active one and one that is indeed of use.

The member for Hamilton Centre commented upon the abolition of the advisory committee, and I do share to a point the concern with respect to continuing consumer involvement and availability to the minister of representations from the Consumers' Association of Canada or other groups. As I understand it, of the six members we are likely to receive perhaps two lawyers, perhaps three other industry representatives, and no doubt a member who would be consumer oriented in the appointments which are going to be made.

It is probably impractical to appoint a knowledgeable consumer who will have expertise in every area, unless the minister is going to come up with a scheme which will allow for that kind of sharing of consumer expertise and involvement. If he is able to do so in the appointments to the tribunal, then that will certainly be a very happy result.

We are pleased to see this as one of the first steps that has come before the House following the proposals to eliminate, merge or modify some 46 agencies, boards and commissions in the government of Ontario. That kind of change is welcome. It is obviously the tip of the iceberg, but we do recognize that these changes have to be done carefully in the sense that all of the areas that have been covered by various other groups must

continue, where it is in the public interest to be covered, to ensure that proper administration of the various laws and the responsibilities of the ministry is continuing.

We welcome the bill and will certainly support it.

Hon. Mr. Drea: Mr. Speaker, in closing, I am interested in appointing more consumers. But bear in mind the consumer representation now is really significant. Take into account one of the things I have done which did not require legislative approval. We have in essence, as much as different statutes would permit, consolidated the activities of the Liquor Licence Appeal Tribunal with that of the Commercial Registration Appeal Tribunal under a single chairman for both. Bear in mind that the Liquor Licence Appeal Tribunal is specific within the Liquor Licence Act and really operates under different rules than the way CRAT does. That has been accomplished. That will produce significant savings in the support staff because those can be integrated.

We are also looking at cross-membership, the ability of members of the Liquor Licence Appeal Tribunal to hear cases with CRAT and vice-versa. I draw to the members' attention that a very prominent consumer, the former president of the Ontario branch of the Consumers' Association of Canada, has been on the licence appeal board since its very inception.

It is beyond our control as to whether any other ministry chooses to do it. I caution members on that. It is up to the individual ministry. To be quite frank, we have only had indications from one ministry that it will soon be bringing in amendments to its own legislation to do this.

It is not an area where there have been many appeals that they want to put before CRAT. The workload really will increase there from our own statutes. Because of appeals from decisions of Condominium Ontario under The Condominium Act, once that section is proclaimed, it is anticipated that will add cases. It has been our experience whenever we bring in new legislation there is a little flurry in the beginning to try and establish precedents and so forth.

I think it is quite true that the enforcement, which is the result of the approaches taken by the passing of this House some years ago of the Business Practices Act, an umbrella type of consumer act, rather than the specific regulatory type dealing with only one industry as was the tradition, has led to more cases before CRAT. I quite frankly welcome this.

Concerning the question of the repeal of the advisory committee, it is really redundant because the tribunal itself advises the minister on consumer affairs. I think that is a much more practical way because they have heard the cases, they have heard the evidence and they have seen if the enforcement and the proposal before there meets the test of law. They can recommend to us changes in the statute in areas where the statute is found wanting or could be improved. We think that much more practical than having them submit their recommendations and at the same time having another advisory committee. It is not a question of cost or contribution. It is really that the tribunal is in the adjudication seat. They hear both sides and they have to examine the statute in great detail and to come to a just verdict.

Mr. M. N. Davison: Wasn't CRAT supposed to advise on consumer affairs and be an advisory committee on commercial and financial affairs?

Hon. Mr. Drea: That's right. By and large in the beginning, it was to advise us in the broad context because at that time consumer matters were considered financial and commercial. The name of the ministry then was the same. That day is gone.

[5:00]

The areas of consumer interest and advice are extremely specialized. In terms of the application of the law, it is my feeling that we have sufficient legislation at the moment; it is whether the intent of the legislation we have lends itself to prompt and efficient enforcement that will determine the orderly marketplace. On that basis, this is simply the recognition that that advisory committee has played a very valuable and significant function but, in the evolution of legislation by this House, it is no longer required.

In terms of the cost savings, it would be very difficult for me to say what they would be. As I say, only one ministry has indicated an interest by following through on this, and the particular function that would be appealable to the Commercial Registration Appeal Tribunal has had one appeal in the last eight years. What their per diems are, or what their internal arrangements are, I do not know.

Certainly the consolidation in itself will produce savings in two ways: First, the support staff can be consolidated; second, the annual reports and the special reports of CRAT to the minister will be even more embracing than they are at this point. I would say that there is a significant saving in terms of the Liquor Licence Appeal Tri-

bunal, if you want to look at \$44,000, because there is one chairman of both. That is one saving that has been accomplished. The consolidation of office space and support staff, which is just going into effect now, will achieve somewhat significant savings in terms of the total budget of the two.

Motion agreed to.

Third reading also agreed to on motion.

BUSINESS CORPORATIONS AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 34, An Act to amend the Business Corporations Act.

Hon. Mr. Drea: Mr. Speaker, when this bill was introduced some weeks ago, you will recall that it was pointed out that the most important change flowing from these amendments would be that the company that is incorporating—not the government; the company—will have to make sure that the proposed corporate name and articles of incorporation are not in conflict with the law. The traditional manner has been the government certification.

The new Business Corporations Act will provide, quite frankly, a substantial benefit to business. It is common knowledge that in recent years there have been numerous requests—I think that is an understatement—there have been numerous requests from business and from the legal community to speed up the process of incorporation.

One of the difficulties with speeding up the process in terms of the existing statute has been the escalating volume of requests for corporate name searches and for business incorporations received each year. That has made it increasingly difficult, because there has been demonstrated the inability of the English language, under manual operations, to keep supplying a constant source of different business or incorporated names. This, of course, has led to delays.

When a business wants to incorporate, or a person wants to incorporate for business purposes, one of the reasons for wanting to do so is that they see a market for their goods or services, and they require a name. In many cases, it is a name that in their view will attract the public and bring them—at least initially, until they can demonstrate their prowess in the field—new business. It is somewhat discouraging and frustrating to them to have to wait a prolonged period of time to get a name.

You will recall, Mr. Speaker, that over the past few years the docket number or the numbered company name has become in-

creasingly common. I think most people dislike and feel somewhat uncomfortable with a number, especially when the number has no significance except that it is a docket number. The reason we have had to grant them is to allow companies to go into business and, hopefully, very rapidly thereafter the business will be successful in its search for a corporate name.

In practical terms, the advent of new facilities and technology which have already been adopted by the federal government have made these available and they will permit the government to hand over to the private sector the responsibility for corporate name acquisition. In practical terms, this means that the role of government in the process of incorporation can be reduced from 12 days to less than an hour.

That 12 days, by the way, is 12 working days at the moment. In the very immediate future, that 12 days might very well escalate to 60 or 72 days. It is a process where we simply find that the traditional manual approaches and so forth just do not keep pace with trends and developments in the business world.

In addition to the corporate name search, the act states that a proposed corporate name should not be the same as or similar to the name of another corporation, association, partnership or individual if its use is likely to deceive. This is a very basic protection in the business community. Under the legislation as it now stands, the minister must decide if a proposed corporate name should be prohibited. The onus, of course, lies with the incorporator to select a proposed corporate name that will not conflict with prohibitions under the act.

Just to give members an idea of the volume and the burden that the workload has placed upon my ministry's companies division, in the 1977-78 year we conducted 62,000 name searches. This represents a 70 per cent increase over the number of searches conducted as recently as 1974. Members can appreciate that burden. It now, as I said before, requires a tremendous amount of working time just to clear the name. This is before the incorporator even files the articles of incorporation.

Fortunately, within the past 18 months, at least three, and I think now four, private search firms have begun offering this service directly to the public. They use on-line data terminals with access to the automated name search system operated by the federal Department of Consumer and Corporate Affairs. This system contains the trade marks and names of all corporations from every juris-

diction in Canada, including foreign corporations carrying on business in Canada. These search houses obtain for clients computer printout search reports within 24 hours or less. What this really means—and the federal government has already set the lead—is that the provincial government can withdraw from the corporate names business.

This new act, in addition to privatizing the name search, will assist the business community in making appropriate name selections and provide for expanded regulations and guidelines. It will require the name search report to be delivered with articles of incorporation as evidence that the name search has been done.

Again, with articles of incorporation, the ministry has experienced similar problems. Also with reference to the articles of incorporation, right now the companies division examines the articles to ensure they comply with the act. If the articles of incorporation conform to the law and the fees have been paid, the division then issues the certificate.

Once again, the sheer volume is slowing down our ability to handle requests for business incorporations as quickly as the business community requires. The average service time has increased to almost nine days compared to a little over five days required in 1974. Of course, the business community, quite frankly, is justifiably critical.

To alleviate this problem, last year the ministry introduced procedures permitting lawyers to file legal opinions to the effect that the articles conform to law. Under this procedure the articles are examined only for proper execution to ensure that they are accompanied by the prescribed fee and a cleared name-search report. This has worked to the benefit of both business and government.

Under the new legislation, the incorporator would deliver articles of incorporation to the minister, accompanied by that name-search report and the prescribed fee. The staff will examine the articles to determine that they are properly executed, the accompanying name-search report is for the name set out in the articles and the fee is paid. If these conditions are fully satisfied, a certificate will be issued.

The amendment proposes numerous benefits to both the public and the government. By public I mean both business and the people dealing with business. It will permit over-the-counter incorporation. This is at a time when we want to stimulate small business; Canadian small business, preferably, Ontario small business. Over-the-counter means that you can be in business relatively

quickly without the delays of the present system.

As I said before, the service time will be reduced to 30 minutes where the articles are filed and the certificate of incorporation is issued over the counter, and to one working day where we need the mail. I hope the use of the mail is not too optimistic, but I have great confidence in the ability of the people in the federal post office to solve their problems relatively quickly.

Administrative expenditures have been substantially reduced.

Finally, this amendment is consistent with the 1967 recommendation of the select committee on company law, that corporation law should impose minimum restrictions and afford maximum convenience and simplicity to the incorporation and organization of companies.

I should congratulate the committee because that was prior to the introduction and the demonstrated practicality of the ANS system. Data processing simply was not in a position in those days to really do it. Nonetheless, the committee wanted this done. If I recall correctly, from talking with people who were on that committee at the time, the rotating files and so forth that were seen in New York state and elsewhere impressed them very much that it was a quicker service and I congratulate the committee for having the foresight to realize this system could be in place and would be of great benefit.

I would ask the members to recall that eight years ago the House gave the business community incorporation as a right and the one-man corporation, when it enacted the Business Corporations Act we are now amending. That was a first in Canada and again, the speedy incorporation now is the first anywhere provincially in Canada.

For the benefit of the House I have gone over the act in some detail. I would like to say that we do have some amendments. We would ask that this go into committee today if possible. The amendments that we have are dictated by court decisions and also to clarify certain sections. I understand as well the member for Hamilton Centre will be proposing an amendment and he has been courteous enough to give me a copy, so that at the culmination of second reading we will be prepared to go into committee of the whole House on this matter.

Mr. Breithaupt: I was interested in the reasons the minister gave for the support of this bill and it was, of course, the last one which very much caught my attention, since this was a recommendation from the select committee on company law.

I did not think it would take 12 years to deal with a recommendation and I certainly hope 12 years from now we will not be dealing with some of the recommendations on insurance which the committee, now that I am the chairman of it, has been bringing before the House.

I must say I was concerned when I first saw this proposal because I felt there might be the prospect of 12 T. Eaton Companies suddenly incorporated. However, since the matter is going to be dealt with by regulation so that a printout of the corporate name is tendered at the time of incorporation, that problem will naturally be resolved.

[5:15]

There is clearly a difficulty in attempting to deal with quick incorporations of companies. I had always thought in my modest legal practice that the ability to use the numbered company circumstance was one that really dealt quite promptly with the problems that had been coming forward. However, the minister suggests that there are still additional pressures for the obtaining of corporate names and for the clearance to take place in the matter of a few hours or even a day or so, so that incorporation can immediately occur and the company begin to do whatever its principals have decided for it.

It has been interesting to see how the automated name search system has developed. Certainly the maintenance of this system by the federal Department of Consumer and Corporate Affairs is one thing which I think the people of Ontario through our jurisdiction can take good advantage of. It would clearly be foolish and wasteful to duplicate such a system. It would also be really negligent on our part if by the avoidance of taking part in that system we are causing additional cost and inconvenience to citizens who wish to hide behind the corporate veil, as we were taught in company law many years ago.

The simplification of this kind of incorporation is certainly a good idea. At one point I had wondered whether anyone would bother to deal with the obtaining of a corporate name search if in fact that name search was not going to be a required part of the incorporation process, but this has been quite well clarified. The requirement for the printout, which I hope will remain at a modest cost, will ensure that the incorporation can proceed promptly, clearly and without the delays which necessarily take place as any attempt is made to manually deal with, as the minister suggested to us, some 60,000 or so applications within a year.

I'm pleased to see these developments because I think they will benefit the commercial life within our province. Incorporation is not only the sort of thing that one might think of when dealing with very large companies whether we're talking about International Nickel or, as I mentioned earlier, the T. Eaton Company or any of these other very large involvements.

Incorporation is a common practice for many persons, for tax reasons, for accounting reasons, indeed I presume that perhaps a majority of the members in this House are involved one way or another with private corporations, with the ownership of various properties, however, it might be. It so happens I am myself. This kind of incorporation, because of the necessity of keeping records and because of the various matters of taxes to which I have referred, is something which is really a common business practice.

It's no longer an esoteric sort of thing that has to be decided by decisions of the House of Lords. It's a matter which really is an ordinary practice, one with which many of us are personally familiar and one which must be speeded up to benefit the commercial interests within the province. Interests ranging from the individual gas station operator, to the hardware store man, to the person who wants to put together the large corporation whose shares might eventually be traded on the stock exchange.

I welcome these changes. I think they will be a boost in the futuristic view of business development within the province. It's a manner of dealing with a theme whose time has certainly come and, as I had mentioned, it was certainly a recommendation of the select committee on company law in one of its earliest manifestations. I welcome the acceptance of that by the minister and I hope that the mechanics will be successful and useful to many of our citizens.

Mr. M. N. Davison: Mr. Speaker, before I reveal my party's position on this bill, I was a bit taken aback when listening to the member for Kitchener use the name Inco when he was expressing his support for this bill. I might remind him that in this little corner of the House Inco is a four-letter word and he should be more careful.

The New Democratic Party will, of course, be supporting Bill 34 on second reading. The minister has at least three amendments to it and I have one so it will be going to committee. There are a few sections of the bill I have questions about and I will not be talking about those now. I will save those for when we go into clause-by-clause debate.

They are very brief and they are not trick questions so I think we can deal with them expeditiously at that time.

The bill calls for what has been characterized—not by me but by others—as the privatization of the corporate name acquisition process. The Business Corporations Act has been in place more than eight years in its present form and, as the minister pointed out at its time of introduction, one of the goals we were searching for was a relatively speedy process in terms of corporate name acquisition. Given the admittedly large number of individuals and companies that have been concerned about the escalating difficulties in terms of time, I think the business community and the corporate community will welcome the minister's response in this area.

The March figures that were released when the minister introduced the bill showed that it's now taking an average of five working days for the corporate name acquisition and 6.7 days for processing the incorporation, for a total of nearly 12 working days. It will be a substantial reduction in the amount of time being spent in the ministry.

Has the ministry done some sort of an analysis about what will happen to the people in the ministry who were involved in this processing and in this work? Will there be a substantial number of jobs lost at the ministry, or will people just be transferred into other facets of the ministry's work?

Hon. Mr. Drea: They will be able to handle it faster and do more work. The volume will still be there.

Mr. M. N. Davison: The volume will still be increasing too, I suspect.

Hon. Mr. Drea: Yes.

Mr. M. N. Davison: Maybe a few of them can provide support services to CRAT, now that we have given that expanded jurisdiction.

Hon. Mr. Drea: I provide support services all over.

Mr. M. N. Davison: That was my one human concern in regard to the changes. The other aspect of the privatization which concerns me a little is the fact that the incorporator now is going to be responsible or carry the can, as it were, for the proposed name and that the minister now will no longer have to search and clear the names or check that the articles of the incorporation conform with existing legislation.

The key word there, it strikes me, is "responsibility," so on the one hand we have the government, the ministry, trying to speed up the process, which is admirable, but with

the change we put a lot more responsibility on individuals or companies that are going through this process. There are many things that the minister was responsible for before which the corporations or the individuals will be responsible for.

I don't have at this point in time a great concern that there's going to be any significant abuse of that responsibility, but I think it should be on the record that that is a possibility I suppose. I am sure the minister will make a commitment today to keep a very close eye out for that kind of activity over the next year or two while we are going through the changes, to see if there is any significant degree of abuse. I would suggest that if there is we can to some extent pick it up under the current penalty sections, section 256 and forward, in the act.

One of the things the minister might want to consider, though, if we do find that kind of increase in abuse, would be to raise the penalty or in some other way make it clear that this kind of a breach is a particularly serious one, because this is a case of a breach where we have extended further trust to him and given him further responsibility, and I am sure that the minister will make sure that situation is monitored closely. The other concerns I have to raise with the minister I will raise when we are into committee stage.

Hon. Mr. Drea: If I could just answer that last one, yes, we are very cognizant of that, but I would like to point out that the present act really is just as vulnerable to deception as this would be, and based upon our experience since 1971, which has permitted the one-man corporation—and that is usually the tempting one—there hasn't been that much attempt at deviousness, and, quite frankly, we will be watching.

Quite frankly, the sanctions are just about the same, and there was no way for the minister really to say, "I know you, I don't trust you and, therefore, I am not taking you," even under this one. The difficulty is that this is the registration of a name. He can be a thoroughgoing scoundrel, but he is only registering the name. It is after he gets the name that certain things may or may not occur, and I can assure the honourable member we will be watching very closely.

Also, on the question of the automated name search, it is our feeling and that of the federal government—and the federal government, as I have it here, is getting out of the names business as of June 1, 1979. They send to their people a list of private search houses. The federal corporations branch

plans to withdraw its name request service June 1. They are out. So that really, to be in conformity with them, we have to be. By the same token, both of us are watching, because if suddenly all five, in concert, start raising their fees, I can assure the members that if it is not the federal corporations branch that gets in touch with Consumer and Corporate Affairs in Ottawa with regard to the combine and other things, it will be this ministry.

There is competition out there: five name-search companies. There is not that big a market; it is in terms of manual work, but in terms of the service they are providing and their ability to provide it, they should be seeking, through search firms and so on and so forth, business based upon their service record. If their fees do start to suddenly go up, I can assure the member that it will probably be acted on by the federal people initially, because they are watching as well.

If there were only one company in the field, I can assure the member between ourselves and the federal government we would literally have to have price control or whatever on there, but when there is that degree of competition, especially with the announcement by the federal government of getting out by June 1, with the introduction of this bill, the field almost doubling within a very brief period of time, there is sufficient competition there that I don't think there will be a risk. Plus, of course, the search firms incorporating; I am not going to take kindly to their new service doing certain things.

I am also informed by my advisers that the search houses are forming an association to maintain ethical practices under their leadership in Ottawa, so the search firms that are specializing in this are forming their own watchdog group within the scope of the private sector. So those concerns, while they are legitimate, I don't think they will pose a problem. We will be watching in regard to the other one as well.

[5:30]

Motion agreed to.

Ordered for committee of the whole House.

THEATRES AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 72, An Act to amend the Theatres Act.

Motion agreed to.

Hon. Mr. Drea: Mr. Speaker, very briefly, this is a housekeeping act. We want to take out of the statute the statutory requirement for an annual renewal of a licence by a projectionist. We want to put it into regu-

lations so that we can stagger the time period. We will probably be going to two or three years at different times of the year so the theatres branch will not be encumbered with an annual peak and so that there will not be delays and so forth.

We also find that the definition of "projector" in the act is redundant. We have a definition for "projection equipment" and we have a definition for "projector." We want the definition of "projection equipment" to remain the definitive one. We feel the other one is redundant.

The licences that will be changed from a statutory requirement of renewal each year will include film exchange licences. Again, instead of March 31 for an annual renewal, we would like regulatory authority to stagger them throughout the year and for a longer term.

I would point out that most of the projectionists' licences in this province are renewed. They are people in very good standing, and we think we can arrange the renewals much more expeditiously. It will be more convenient for the industry, for the people in the industry and, quite frankly, for the taxpayers, because we will not have to gear up for one month or so every year; we can stagger it out proportionately.

Mr. Breithaupt: Mr. Speaker, I accept the comments made by the minister that this is just a housekeeping bill and an attempt to deal with the workload of these renewals in a much more reasonable way.

We all recall the change to a three-year driver's licence, which was a means of dealing with a vast number of people within our province—probably some four or five million—who were otherwise all trying to renew their driver's licences at one period of time each year.

This is an example, even though it is on a much smaller scale, of attempting to shift that same workload so that it can be dealt with conveniently and properly on a routine basis. It is one way of avoiding the necessity of having additional staff and additional costs at a time when routine staff can and will be kept on anyway for the rest of the year and can do this in a normal and well-planned way. We are quite prepared to support the bill.

Mr. M. N. Davison: Mr. Speaker, the New Democratic Party will also be supporting the bill. The Theatres Act is really quite a piece of legislation; it has everything from the requirement to play the national anthem to all of the protections to the public and the regulation of activities. The minister is quite

correct in pointing out the small problem in section 1. Just out of interest, and perhaps to add some levity to the consideration, those two clauses should be read into the record:

Clause (h) defines projection equipment or projector. It means the equipment necessary or used for the transducing from a film to moving images, including equipment for accompanying sound. Clause (k) defines projector as meaning any type of machine used for the projection of moving pictures.

Mr. Breithaupt: Don't tell me they have sound now.

Mr. M. N. Davison: I think the minister is quite wise to go after that clause and get rid of it from the act.

The aspect of no longer requiring the March 31 renewal date in going to, by regulation, a more flexible approach is quite reasonable, especially in regard to the projectionists or the projector or the film exchange.

I might have some concerns about the theatre itself because we deal with all the regulations regarding the fire inspection. I'm sure when the minister does make changes in that part he won't make changes that would in any way put the film viewer in hazard by not having as frequent an inspection of the theatre as is necessary. I have confidence the ministry will do that job.

There is one other point, though. When we talk about the licences for the operation of theatres, we should be giving some consideration to the question of Canadian films, and the percentage of films in our theatres that are Canadian films.

I know the culture critic for my party, the member for Oakwood, wanted to address a few comments to that particular aspect, and perhaps question the minister as to why we haven't proceeded in this bill along those lines.

Subject to that, I have no further comments about this bill.

Mr. Grande: Mr. Speaker, I'm going to be very brief. Actually, this act to amend the Theatres Act really does not deal with anything but very small housekeeping matters.

It is true that's the intent of this bill. However, as I understand it, in second reading of a bill one could talk about certain things that are not in the bill.

Mr. Acting Speaker: I don't believe that understanding is right. The member must limit his comments to matters dealt with in the bill.

Mr. Grande: Mr. Speaker, as I said, I'm just going to take a very few brief minutes. I want to deal with this particular bill in terms of culture and recreation.

Mr. Acting Speaker: I don't see anything in this bill dealing with culture at all.

Mr. M. N. Davison: On a point of order, Mr. Speaker: I think the member's remarks would be in order. Section 2 of the bill you have in front of you, An Act to amend the Theatres Act, repeals section 13 of the Theatres Act, and section 13 deals with the renewal of a licence for a theatre.

As I understand the context of the remarks raised by the member for Oakwood, he wants to deal with the question of culture with regard to the renewal of licences. That's exactly what this section deals with—the situation under which a licence for a theatre will be renewed. I think his remarks are in order.

Mr. Breithaupt: If I could speak to the point of order: It is my understanding the licensing of a theatre is entirely a mechanical thing, with respect to safety, accommodation, fire exits, or matters such as that. It is my understanding the kinds of films shown in a theatre have nothing to do with the licence of that theatre as such. I would presume remarks dealing with what might or might not be shown in a theatre, while they would be of interest and no doubt worthy for the members to hear, should not be made at this opportunity.

Hon. Mr. Drea: On a point of order, I would like to point out to the member who wants to raise this that nobody is more sympathetic to the Canadian film industry than I am, but I have no jurisdiction whatsoever over it. I've used my good offices on a rather constant basis to try and promote the increased use of Canadian films, not necessarily only those that are financed by the taxpayers and come under that general category of Canadian film.

Mr. Acting Speaker: I don't believe the minister is speaking to the point of order.

Hon. Mr. Drea: Mr. Speaker, I have no jurisdiction. There is nothing in this act which will permit me to do so. The only thing that might be involved is the fact we give an indirect subsidy to a Canadian film. We don't charge it as much, or anything, to go through our system as we do a conventional Hollywood film.

Mr. Acting Speaker: You say there is nothing here, but now you have spoken to the point I think the member for Oakwood wants to raise. Make it very brief.

Mr. Grande: Thank you very much. Certainly, the conditions under which licences are given to theatres is part of this act and part of this bill. All I would like the minister to attempt to address himself and the ministry to is giving as a particular condition for the

licence that a certain percentage of Canadian films be shown at that particular theatre. This is all I want to talk about, because I've attempted to raise it within the Ministry of Culture and Recreation and they specifically state it is under this particular ministry, under the Theatres Act, that any such change can take place. Therefore, all I'm suggesting to the minister is he should take a look at this legislation and begin to think seriously in terms of bringing that in.

Hon. Mr. Drea: I don't know if that's the proper approach to it, Mr. Speaker since the thing that strikes me first is there is an insufficient number of Canadian films.

I sympathize with the member. As I said, since taking over responsibility for this act on October 18 I have been constantly promoting the use of Canadian films, and not only those we might regard as the commercial type of thing, but other very good films. There are films produced by ministries of this government that I think could be expanded a little bit to fill in the time frame.

I have been doing that, but I think the difficulty in saying that theatres must show a sufficient quota of Canadian films, bearing in mind the number of theatres, is there might be insufficient product. I can assure the member I will do everything possible within my ministry in terms of moral suasion, or what have you, to develop a market through the theatre for the Canadian films. By Canadian films, I mean films produced here with the technicians and the actors, and so on, that is representative of the talent, both technical and artistic, in this country.

Motion agreed to.

Third reading also agreed to on motion.

PREARRANGED FUNERAL SERVICES AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 73, An Act to amend the Prearranged Funeral Services Act.

Mr. Breithaupt: Mr. Speaker, I'm pleased to rise in support of this bill. It is certainly important to see how, over the past several years, there have been some concerns which have been raised with respect to the details of prearranged funeral services. These concerns appear to be addressed and resolved in this bill. I think the acceptance of this legislation by the House will ensure that moneys are properly held in trust accounts; interest is, of course, applied and available; and all of the records and details will be completely in order. We're pleased to support the bill.

Mr. M. N. Davison: Mr. Speaker, how much time do I have?

Mr. Speaker: Up to four minutes.

Mr. M. N. Davison: Up to four minutes? It is private members' day, isn't it?
[5:45]

The New Democratic Party has no great opposition to the things that are being done in this particular bill. One of the things that concerns us, though, is the points raised by the member for Port Arthur (Mr. Foulds) on May 3 in the debate on a private member's bill, Bill 60. They are relevant because we are dealing in this bill, under section 3, with the Board of Funeral Services. That is, in substance, what the member for Port Arthur was dealing with and the degree to which there would be consumer representation.

Once again, the ministry should give some further thought to the degree of consumer representation on that board, as proposed by the member for Port Arthur, so that there would be four funeral directors on the board, four consumer representatives and one person to represent the Memorial Society of Canada. I think that would be very useful, and I think the minister should take this opportunity to commit himself to some movement in that direction over the next short period of time.

Aside from that, I have no comment about the housekeeping nature of the bill, except to agree with the member for Kitchener that it is a good idea to keep in trust the money that is paid for a prearranged funeral.

Mr. Blundy: Mr. Speaker, as I said last week when the bill of the member for Port Arthur was being discussed, it is very desirable to make possible in every way the prearrangement of funerals. It is a good protection for consumers. This bill is amending the Prearranged Funeral Services Act in a way that is going to further protect the consumer in the money he is placing in the hands of the trust. I believe this House should give this bill its full support.

Also contained in the bill is a provision that only a full-time funeral director may have anything to do with the prearrangement of a funeral, which I believe is also a good clause and one which, of course, would exclude me from doing so.

I want also to say that I know the funeral directors of the province are quite in favour of the amendments in this bill.

Hon. Mr. Drea: Mr. Speaker, very briefly—I guess I have about 10 seconds to wind this up—I would like to point out, in view of the concerns of the member for Hamilton Centre and the member for Sarnia, that there

are now active discussions between the Ministry of Health and the Ministry of Consumer and Commercial Relations concerning the transfer of the portions of the Funeral Services Act, 1975, that are within the jurisdiction of the Ministry of Health.

The only reference in this bill to the Funeral Services Act is that, unfortunately, in terms of housekeeping, it still refers to the old act; it has not taken account of that. At the time those discussions come to fruition, I will bear in mind the particular comments of the members.

Motion agreed to.

Third reading also agreed to on motion.

PRIVATE MEMBERS' PUBLIC BUSINESS

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Speaker: Mr. Bounsall has moved second reading of Bill 3. Any member objecting to this question being placed before the House should now rise.

There will be a vote.

All those in favour of second reading of Mr. Bounsall's bill will please say "aye."

All those opposed will please say "nay."

In my opinion, the ayes have it.

Motion agreed to.

Ordered for committee on general government.

Mr. Speaker: Order. Our friends in the gallery have been cautioned on two previous occasions. Members here have a responsibility collectively and individually to carry out the responsibility and the mandate given them. I cautioned you not to demonstrate. I am going to have to ask to have the gallery cleared.

House in committee of the whole.

SMALL BUSINESS DEVELOPMENT CORPORATIONS ACT

Consideration of Bill 49, An Act respecting Small Business Development Corporations.

Mr. Chairman: Are there any comments or amendments to Bill 49?

Mr. Peterson: Mr. Chairman, I have several comments on Bill 49. Do you want to proceed now, or may I suggest that we adjourn and proceed at eight o'clock?

Mr. Chairman: If it's the wish of the committee, as it is very close to six o'clock, the committee will resume at 8 p.m.

The House recessed at 5:56 p.m.

APPENDIX

(See page 2019)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

CO-PAYMENT FEES

14. Mr. Breaugh: Can the ministry give any indication of the number and percentage of chronic-care patients who will not be required to pay the proposed co-payment fee for stays longer than 60 days? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The following outlines who is eligible for chronic care co-payment exemptions:

All patients under the age of 18 are fully exempted.

Patients will be exempted if they are in receipt of family benefits or general welfare assistance. When these patients are in chronic care, they are provided a \$45 per month "comfort allowance" and not charged a co-payment.

All patients in chronic-care beds will be exempted from the co-payment for the first 60 days after admission. A patient occupying a chronic, rehabilitation or convalescent bed can be exempted from co-payment for the first 180 days of care (including the common 60-day exemption), where the attending physician certifies that the patient is in the process of rehabilitation or convalescence and is expected to return to his or her home. This certification can be renewed or changed by the attending physician (up to a maximum exemption of 360 days).

These criteria exempt those who should not reasonably be expected to pay—persons being rehabilitated, short-term patients, those on social assistance and families with children in chronic care.

The co-payment applies only to those in long-term care, and further exemptions are available, recognizing family income responsibilities.

A patient without dependents (a single person for example) in long-term chronic care requires income for personal needs, but other basic needs are met by the facility. Such a patient will keep the first \$45 of monthly income for personal use, and any income above this level will be considered available to meet the co-payment. For example, a single, long-term patient with a monthly income of \$100 would make a partial co-payment of \$55.

For exemption purposes, spouses receiving old age security, spouse's allowance or benefits under the Ontario Guaranteed Income Act are not considered as dependents.

Again, the first \$45 of the patient's monthly income will be exempt and the remaining income will be considered available to meet the co-payment.

Prior to the introduction of co-payment charges, the government paid the full cost of basic needs and medical care for long-term patients, while they continued to receive government benefits for their maintenance in the community.

This situation created inequities between chronic patients, similar persons in nursing homes who were charged a co-payment, and elderly persons maintaining themselves in the community. It also resulted in inappropriate use of chronic-care facilities.

The introduction of this new approach will result in a consistent co-payment policy for patients in chronic and extended care and contribute to a more efficient allocation of health resources.

A patient with dependents (or a patient who is a dependent member of a family) living in the community is treated differently than a single patient. While a single patient requires income only for his personal needs in the facility, the patient with a family may require a good part of the family income for the living expenses of the family members in the community. Accordingly, certain amounts of family income are not considered available to meet the co-payment.

The level of exempt family income increases with family size: For a family of two it is \$15,000 per year; for a family of three, \$17,100 per year; for a family of four, \$19,200 per year; and for a family of five or more, \$21,000 per year.

If family income is below these levels, the patient will be totally exempt from charge. If family income is above the exempt level, only one-third of the amount above the exempt level is considered available to meet the charge.

As an example, a family of two, with an income of \$15,000 per year (or \$1,250 per month), would be totally exempt. If this family had an income of \$1,550 per month (that is, \$300 per month over the exempt level), then the patient would be expected to pay \$100 per month.

Family income level will be established by a declaration, rather than by some form of means test.

Finally, where a third party pays the total hospital cost or the co-payment for a patient—such as the Workmen's Compensation Board, Department of Veterans Affairs, or other

federal government agencies—the patient will not be required to pay the co-payment.

PRIVATE CHRONIC HOME CARE

33. Mr. Breaugh: Is the ministry prepared to issue fee guidelines for the provision of private chronic home care? If so, what would these fee guidelines be? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: The ministry is not prepared to use fee guidelines for the provision of private chronic home care as this is a matter between a patient and health care providers.

59. Mr. Breaugh: Will the ministry provide co-payment exemptions for chronic care patients in private nursing homes to match those now applied under guidelines for public hospitals? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As of the end of March 1979, there were 102 chronic care patients in nursing homes. Approximately four years ago, to relieve pressure on chronic care hospitals, a number of borderline chronic patients were placed in nursing homes. Since then the number has been reduced from the original 250 to 300 patients to 102 patients, through deaths, discharges, and changes from chronic to extended-care status.

These patients are now expected to make the same per diem contribution to their maintenance as the other residents in nursing homes. The status of each chronic-care patient is also being reviewed and it is anticipated that the majority of these residents may be eligible for transfer to the extended care program, and the chronic-care beds in nursing homes will be phased out.

It is expected that approximately 10 patients will remain after this process and these will be reassessed medically to determine the most appropriate way of handling their situation. They are eligible for the same exemption provisions offered to hospital-based chronic-care patients.

MEDICAL SCHOOL ACCESS

38. Mr. Breaugh: What is the Ministry of Health position on the minority rights and equal opportunity admissions to medical schools? How many of Ontario's native peoples have been admitted to medical school in the last five years? How many representatives of ethnic minorities have been admitted in the last five years? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: As university admissions relate to the Ministry of Colleges and Universities and not to the Ministry of Health, the Ministry of Colleges and Universities has

supplied me with the following answer and any further questions should be directed to that ministry.

The Ontario Human Rights Code forbids the identification of racial/ethnic origin for admission to programs such as post-secondary education. The medical schools do not collect such data.

MEDICAL SCHOOL PROGRAMS

41. Mr. Breaugh: Has the minister taken any steps to encourage medical schools to include a rotation to northern Ontario hospitals as part of their undergraduate and residency programs? If not, does he have any plans to introduce such a move? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Attached are descriptions* of programs offered by Ontario medical schools in northern areas of the province. The northwestern program is with physicians, not the hospitals. The northeastern program is the most recent. These programs are variously funded by Ministry of Health, the federal government and respective universities.

The OMA and the College of Family Physicians have programs for continuing education.

UNDERSERVICED AREAS—MEDICINE:

1. Northwestern Ontario Medical Program (NWOMP): Funding from Ministry of Health since 1972; McMaster administers program but Queen's, Toronto and Western also rotate undergraduate and postgraduate (I and R) through programs; agreements with physicians in area include the following numbers: Thunder Bay 41, Kenora 15, Ft. Francis 11, Nipigon 5, Dryden 10, Atikokan 3, Terrace Bay 4, Marathon 2; in 1978-79, 52 undergraduates (4-6 weeks), 19 postgraduates (2-3 months), rotated through these areas primarily in family medicine and pediatrics; since 1972, 23 students have settled in northwestern Ontario who have participated in NWOMP.

2. Other Underserviced Programs Involving Ontario Medical Schools: University of Ottawa is negotiating with hospitals in Suburb area for placement of family medicine trainees especially francophone; University of Toronto has agreement with federal government in Sioux Lookout that provides training opportunities as well as health services to Treaty 9 native people; Queen's and McMaster has a similar agreement in Moose Factory; Western is concentrating extending

*Telephone survey of McMaster, Queen's and Ottawa, March-April 1979.

family practice training to small underserved communities in southern Ontario as well as NWOMP; Another area under consideration is development of continuing education programs for doctors working in north. Northern Affairs and McMaster are involved in this review. No programs have yet been announced.

Placement of Medical Students in Northeastern Ontario: Department of family medicine provides preceptorships in northern community practices within 50 mile radius of Ottawa area. Communities with such preceptorships are Smiths Falls, Renfrew, Arnprior, et cetera.

The university is in the first year of a program of placing medical interns in the Sudbury area. Currently, one intern is rotating through per month. In July, 1979 there will be two interns per month.

Queen's University is also considering becoming involved in the preceptorship in the Sudbury area.

Ottawa will be providing refresher courses in the Sudbury area this May.

Individual electives by resident students have been in North Bay and Timmins.

Ottawa has been sending representatives for the last three areas to the northern high schools to encourage applications to medical school, especially the French high schools. Communities involved in this liaison are Hearst, Timmins, North Bay and Sudbury.

This program with additional financial support will be able to help in meeting the local health care needs of communities in northeastern Ontario as the Northwestern Ontario Medical Program does for that area of the province.

Moose Factory: Queen's and Western have some involvement in Moose Factory: One internist, one paediatrician and two surgeons involved in providing services and training; Queen's also provides part-time consulting services to physicians working in north, family medicine arrangements being worked out between universities and federal government; nursing has research project; medical clerks, interns and residents receive training in medicine, paediatrics and surgery; nursing students rotate through for some training in primary care; UWO provides assistance in diagnostic radiology that complements Queen's program.

LAB BILLING ERRORS

122. Mr. Ziemba: Would the Minister of Health indicate the amount billed OHIP in error by private medical laboratories giving the name of the medical laboratory, the principals, the business address, the amount found

billed in error in each case and the amount recovered in each case? [Tabled April 5, 1979. Interim answer April 19, 1979. Approximate date information available May 15, 1979.]

Hon. Mr. Timbrell: From time to time the ministry, in the course of reviewing claims submitted by private medical laboratories in respect of insured laboratory services, is of the opinion that an amount claimed is incorrect. Occasionally there is an obvious clerical or administrative error on the part of the laboratory; in the majority of cases it turns out that the ministry and the laboratory disagree as to the correct interpretation of the wording in the schedule applicable to laboratory services.

In some cases the disputes have been resolved. In other cases, discussions are taking place between the ministry and the laboratory, in the hope of resolving the dispute; it is to be expected that, where the dispute is not resolved through discussion, the courts will be asked to determine the issue.

There has not been a judicial determination that any specific billings were "in error," and accordingly—except for those cases where the mistake was obvious—it is not feasible to answer the question. Further, it would not be appropriate to classify a claim as being "in error" when that very issue will be the subject of court proceedings.

OHIP ADMINISTRATION COSTS

171. Mr. Isaacs: Will the ministry provide figures on the cost of program administration for OHIP for 1975-76, 1976-77, 1977-78? [Tabled May 1, 1979.]

Hon. Mr. Timbrell: The total direct and indirect operating costs of the Ministry of Health for OHIP program administration for the years requested are as follows: 1975-76, \$38,703,800; 1976-77, \$44,346,200; 1977-78, \$45,388,600.

DISPOSAL OF HAZARDOUS WASTES

172. Mr. Foulds: Will the Minister of Energy now, in view of the petition he has received signed by 1,700 residents of the Atikokan area, insist on public hearings before test drilling by AECL takes place in the Atikokan area for a possible nuclear waste disposal site? [Tabled May 3, 1979.]

Hon. Mr. Auld: Given the fact that the Atikokan township council reaffirmed, on April 25, 1979, its decision of March 6, 1979, in favour of AECL's proposal to undertake research drilling, it seems appropriate that any further review should be initiated by the township council.

In this connection, I am pleased to advise that the reeve and the council of the township of Atikokan have called a public meeting for May 17, 1979, at 7:30 p.m., for a full discussion of the proposed research work involving test drilling. Representatives of Atomic Energy of Canada Limited will be present to answer questions. This meeting is being advertised in the local newspaper, specifying time and location. In addition, the meeting will also be advertised by means of a sound truck and local community TV.

It should be recognized that AECL's proposed test drilling is purely of a research nature and does not involve the selection of a site for a nuclear waste repository. If and when a nuclear waste disposal facility is proposed for a particular site, it will be subject to an environmental assessment review process and Ontario will require that public hearings will be held, presumably under federal jurisdiction.

The member for Port Arthur should also be aware that the following opportunities for information on nuclear fuel waste management have been made available to the residents of Atikokan:

1. Since May, 1978, waste management newsletters have been regularly circulated to all news media, reeves, mayors, MPs, MPPs, and interested citizens in northwestern Ontario.

2. May 29, 1978—An AECL briefing team, consisting of S. A. Mayman, H. Y. Tammemagi and E. R. Frech, attended a meeting at the Atikokan town council called specifically for briefing council and invited community leaders on the nuclear waste management program. Other members of the public also participated.

3. July 11, 1978—The Atikokan council passed a resolution to write a letter to the Honourable Alastair Gillespie asking that he direct AECL to undertake test drilling in the Atikokan area.

4. July 12, 1978—Letter by Reeve Jack Pierce to the Honourable A. Gillespie, saying that "The council of the township of Atikokan went on record July 11, 1978, as being in favour of inviting the Atomic Energy of Canada to drill and test sites in the Atikokan area," et cetera.

5. July 31, 1978—The federal Minister of Energy, Mr. Gillespie replied with a letter to Reeve Pierce to the effect that: "Council's decision has been transmitted to the appropriate authorities and your consideration of this most important question is appreciated."

6. September 21-23, 1978—Fort Frances energy seminar, sponsored by the Confederation Community College at the instigation of

the Fort Frances Community Conservation Centre and anti-nuclear activists from International Falls. Attended by AECL. Participants included community leaders (labour, church, elected, et cetera) from Fort Frances, International Falls and Atikokan. The Honourable John Reid, MP Kenora-Rainy River, was present. Press from Atikokan reported meeting, with particular emphasis on waste management.

7. September 28, 1978—E. R. Frech, of AECL, attended a meeting of the Northwestern Ontario Associated Chambers of Commerce in Atikokan. Briefed Mr. Pat Reid, MPP for Rainy River, on the program.

8. November 10, 1978—TV Atikokan Productions (local cable station) produced a local phone-in cable TV show on which Dr. Gordon Edwards of the Canadian Coalition for Nuclear Responsibility made a presentation to a panel on general nuclear issues. Panel participants were Mrs. Bernice Taylor, local citizens' group; Reeve Jack Pierce, town of Atikokan; Mr. W. Calder, Atikokan Hydro; and Mr. A. A. O'Neil, President, Local 3466, United Steel Workers of America. Time was allotted for questions from the panel and from outside telephone contacts.

9. February 14, 1979—J. Boulton and E. R. Frech, of AECL, briefed Mr. Pat Reid, MPP for Rainy River. He had no objections to regional information and community relations programs being conducted in the area and indicated he would urge local residents to keep an open mind on the issue.

10. February 23, 1979—J. Boulton, E. R. Frech and B. Franklin, of AECL, briefed Reeve Jack Pierce; Murray Goodwin, Atikokan councillor; Keith Penner (L), MP for Thunder Bay; Hon. John Reid (L), MP for Rainy River; and Paul McRae (L), MP for Fort William and Liberal candidate for Thunder Bay-Atikokan in the next federal election. None had any objections to the program as described to them.

11. March 6, 1979—E. R. Frech and M. Durocher of AECL attended an open meeting of Atikokan town council, previously advertised as being held to discuss the possibility of test drilling in the Atikokan area. Approximately 40 residents, including several who expressed general opposition to nuclear energy, attended and asked questions. Council passed a resolution, (5-1), giving AECL permission to test drill rock formations in the area. Extensive coverage by Atikokan, Thunder Bay press and radio.

12. March 7, 1979—The AECL presentation to the public meeting on March 6th was shown on Atikokan public service television. Plans included two subsequent showings.

13. March 14, 1979—Advertisement offering further information on nuclear fuel waste management program appeared in the Atikokan Progress.

14. March 21, 1979—Advertisement offering further information on nuclear fuel waste management program appeared again in Atikokan Progress. Total of five replies received to April 10, 1979.

15. March 27, 1979—Briefings for candidates in federal election for Thunder Bay-Atikokan: Iain Angus (NDP), Ken Moffatt (PC) and Paul McRae (L) in Thunder Bay.

16. April 9, 1979—TV Atikokan Productions reports having aired AECL March 6th presentation at least four times.

17. April 9, 1979—Arrangements made with TV Atikokan Productions for showing of several AECL films, including the new nuclear fuel waste management film, on local cable station.

18. April 11, 1979—Advertisement appears in the Atikokan Progress re television phone-in show on April 17th, featuring Dr. T. Rummery and E. R. Frech of AECL.

19. April 16, 1979—Nuclear fuel waste pamphlet mailed to all households in Atikokan.

20. April 17, 1979—E. R. Frech and Dr. T. Rummery of AECL appear on Atikokan cable TV phone-in show (previously advertised by the television station and in the Atikokan Progress) for two and a half hours. Fifteen telephone calls received, one of which advised that a petition is being circulated and has been signed by 1,500 people. Program subsequently shown three more times on local cable TV.

21. April 24, 1979—Atikokan council regular meeting. Delegation of 40 persons presented petition asking for public hearings and plebiscite prior to test drilling, and that council withdraw its permission to drill. Council sustained its earlier decision to support AECL's research drilling program by a 5 to 1 vote and declined to lend support to request for public hearings and plebiscite by vote of 4 to 3.

22. April 25, 1979—Letter from S. R. Hatcher of AECL, detailing community relations program in Atikokan area, appears in Atikokan Progress. News story announcing AECL exhibit in Atikokan starting May 14.

23. May 10-12, 1979—Meeting of Northwestern Ontario Municipal Association (covering Thunder Bay, Kenora and Rainy River Districts) held in Atikokan. AECL representative made presentation on nuclear fuel waste management to municipal representatives. Presentation was well-received and AECL

expects to make similar presentations to town councils in northwestern Ontario.

RESPONSE TO PETITION

Petition to the Lieutenant Governor and the Legislative Assembly of Ontario.

"We, the undersigned, beg leave to petition the Lieutenant Governor and Legislative Assembly of the province of Ontario as follows:

"That the Minister of Community and Social Services call an immediate halt to the downgrading of the Kirkland Lake Ministry of Community and Social Services office from a district area office to a local office. At the same time, the minister should immediately halt the upgrading of the Timmins office from a local office to an area office.

"The Minister of Community and Social Services should also make a thorough and complete review of the economic significance to Kirkland Lake of the 27 jobs that the community of Kirkland Lake would lose if the Ministry of Community and Social Services district area offices were moved from Kirkland Lake to Timmins."

Hon. Mr. Norton: This petition refers to changes in the field offices of the ministry which are due to a general administrative reorganization.

This reorganization was necessitated by the addition to the ministry of large-scale children's programs from other ministries, our desire to decentralize many functions from Queen's Park to the field offices and to effect an overall improvement in service.

The decentralization will have many benefits. Previously, we had 19 district offices. We are merging these into 12 area offices.

Prior to the reorganization, one of those district offices was located in Kirkland Lake. There was a local or subordinate office in Timmins.

During the planning for reorganization we carefully considered the location of the new area offices. We considered such objective factors as the number of clients to be served in each community, the number and location of allied agencies with whom we work, the rate and volume of social services in each community, the transportation and communication facilities, and the cost in time and money for the travelling of our field staff.

We concluded that for Cochrane and Timiskaming districts, the new area office, (including the decentralized children's services as well as services to adults) should be located in Timmins. That location best fulfilled the objective criteria we had used to evaluate locations.

This does not mean that we are closing or even substantially reducing our ministry

office in Kirkland Lake. We still require staff stationed there to serve the population of the town and its environs. The ministry office in Kirkland Lake will remain; it becomes an adjunct to the area office in Timmins.

Twenty staff are located in the Kirkland Lake office, and there may be no reduction in this staff whatever. In fact, when the reorganization is complete, there may be an increase in Kirkland Lake of two or three.

I should note that Mr. Ed Havrot, MPP, was among the first to express concern about the possible reduction of ministry staff in Kirkland Lake. He was in touch with me on this point in January and I was able to give him those assurances.

The petition states that there will be a loss to Kirkland Lake of 27 staff positions. That certainly cannot be true of present staff; there will be no such loss. The petition must be referring to the fact that new positions, decentralized from Queen's Park, that might have gone to Kirkland Lake if Kirkland Lake had been chosen as the site of the area office, will instead go to Timmins.

However, 27 new staff positions is an exaggerated number according to our present estimates. We estimate now that over the next two years 12 new positions may be added to the Timmins area office.

I know that at the beginning of March a ministry newsletter on reorganization ("UPDATE") estimated that 27 new positions might go to the Timmins office. That estimate was made early in our reorganization planning and was overly optimistic. We have since carried out closer calculations, and have substantially scaled down the figure. The

number of additional staff decentralized to Timmins will be approximately 12.

The present staff in the Timmins office is 13 persons. The additional 12 will eventually raise the total to 25. There will not be less than 18 in the Kirkland Lake office. This is a favourable ratio considering that the population of Timmins is over three times the population of Kirkland Lake.

Even if the objective factors had indicated that the area office should have been located in Kirkland Lake, it is by no means certain that the 12 jobs would have been placed in Kirkland Lake. The difference in population between the two centres and their surroundings indicate a difference in our work load which would determine staff placement.

The number of staff we are concerned with in this situation is comparatively small. They are unlikely to have a significant impact on the economic life of either Kirkland Lake or Timmins.

The petition asks for a "thorough and complete review of the economic significance to Kirkland Lake" of the supposed loss of jobs. But as I have indicated, there is little or no loss of jobs in regard to staff now situated in Kirkland Lake. It would be hypothetical and speculative to try to calculate the economic significance of 12 jobs that might have been placed in Kirkland Lake, if Kirkland Lake had been designated as the site of the area office. Since the greater volume of our service is used by the greater population of the Timmins area, since we do not wish to incur needless costs in staff travelling time and since these and related objective factors indicate that the area office should be in Timmins, we have located it there.

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No. 50

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, May 17, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 17, 1979

The House resumed at 8 p.m.

House in committee of the whole.

SMALL BUSINESS DEVELOPMENT CORPORATIONS ACT

(continued)

Resumption of consideration of Bill 49,
An Act respecting Small Business Develop-
ment Corporations.

Mr. Chairman: Are there any amendments
to Bill 49?

Hon. F. S. Miller: Mr. Chairman, there will
be some amendments that can be called
housekeeping or clarification amendments.
There were some questions raised in second
reading that perhaps should be answered.
It is up to the member for London Centre
whether he wishes to pose them or whether
he would be happy to have me answer some
of them at this point.

Mr. Peterson: I would be pleased if the
Treasurer would—

Mr. Chairman: If the Treasurer would care
to, he could reply to them. Then I will call
for the sections and the members can ask
questions on any section.

Hon. F. S. Miller: Do you want me to wait
for them?

Mr. Chairman: Go ahead and reply.

Hon. F. S. Miller: There are certain things
that I touched upon that perhaps would save
a lot of questions.

During the debate, the member for London
Centre said I was not sure where the money
would come from, I think that was one of
the questions he posed. I was informed by
my staff that during the budget lockup this
question was raised. The fact is that we
have money available in the Employment
Development Fund that can cover any re-
quirements in this first year. Then we would
have an opportunity to budget for future
years based upon the first year.

The second issue he talked about was the
Canadian Federation of Independent Busi-
ness. The federation met me in the pre-
budget period, but I can honestly say they
did not get themselves involved in the draft-
ing of this legislation per se.

Mr. Peterson: They are taking credit for it.

Hon. F. S. Miller: I am happy they do. I
am glad they feel they have had some influ-
ence with the government. You will discover
this government always is able to listen to
worthwhile contributions.

You then went on to say: "I think the
legislation is politically high profile, but from
an investment strategy viewpoint not many
investment people will take advantage of it."
We have received opinions from many sources
that this is attractive enough legislation to
work. There is no question about it. I might
say at noon today I had one corporation talk
to me and say they would be forming an
SBDC almost at once when we have passed
this legislation. I am told a number will be
formed.

Investment counsellors are confirming that.
We were quite pleased to see this one com-
mentary on it—perhaps you had an oppor-
tunity to see it—from an investment counsellor
or from a CA firm that has a 35-page booklet
on it, pointing out the advantages to their
counsellors. They have a slide presentation to
go with it. I will say in all sincerity I am
going to see their presentation. I have not
had an opportunity to do so yet. It was not
made with any co-operation from my minis-
try. It will be, I hope, useful to any of us
who want to see it. I am sure this company
would be pleased to show us a chartered
accountant's interpretation of the way this
act could benefit potential clients of theirs or
investors.

You went on to say that you thought that
only private companies would qualify. There
is no restriction limiting SBDC investment to
private companies, but I think it is safe to
say we would assume almost every eligible
corporation of fewer than 100 people would
be a private corporation. There is technically,
however, no prohibition on them being public
corporations.

You questioned the saleability of SBDC
shares. I can only say that I think you will
find that an SBDC that has been successful
will have very little difficulty selling its
shares.

Mr. Peterson: They will start selling at a
discount right away.

Hon. F. S. Miller: Prior to my days as a cabinet minister, I had been a member of at least two investment corporations which, had SBDCs been around, would have been SBDCs. Over the years I have seen one in particular—it was started in the 1950s and still is going on today—in the town of Aurora —

Mr. Peterson: Investing in small business only?

Hon. F. S. Miller: Yes. The other is in the town of Bracebridge and, while I am not a shareholder and have not been since about 1972, it has had at least four or five share changes. It is held by 10 people, and I think that is about the size you will find many an SBDC becomes in terms of shareholders.

We have always found it quite easy, when one shareholder dies or wishes to sell his or her shares, to find replacement buyers in the community. I have no reason to believe that SBDCs will face any difficulty either. In most cases they will be narrowly held, if not by true definition—we define “narrowly held” within the act, as the member knows—certainly most will have 10 or fewer shareholders, I would assume. I am reasonably sure they will find no trouble marketing them.

The member went on to comment about the size of the corporation, saying 100 employees is wrong. Our original venture investment corporations legislation limited the size to 30, and that was too small. We quite honestly admit the 100 employees may be too small or may be too large. We will only find out through experience. It was suggested to us at one point that we should have as few as 10 employees as the qualifying level.

It is interesting to note that federal government statistics show that 80 per cent of all Canadian-owned manufacturing companies have fewer than 100 employees; so really 80 per cent of Canadian companies qualify on that kind of basis. It is even more interesting that 90 per cent of the members of the Canadian Federation of Independent Business have fewer than 100 employees.

The member questioned whether grants should be available to the small businessmen themselves. I think the words used were: “I am personally not sure, if we really want to develop high-risk propositions, that we should not let the entrepreneur have a tax advantage. If he is creating jobs and doing something here, why are we so anxious to exclude him?”

The purpose of the legislation is to encourage individuals and corporations to invest their savings in equity rather than in the relatively safe instruments currently avail-

able to them that are tax havens. We are not trying to make non-arm's-length transactions available to allow one to make money out of the government by lending it from oneself to oneself. I hope that would be accepted by both parties, since I believe that would simply allow for a fair amount of abuse of the system and would not achieve what we are trying to do, which is to get other people's money into somebody's business; not one's own money put in with a reduction.

Mr. Laughren: Thirty per cent?

Hon. F. S. Miller: Yes; tax treatment.

Mr. Laughren: That's not something to be sneezed at.

Hon. F. S. Miller: There are three taxpayers involved in a normal SBDC transaction: the investor who purchases the shares, the SBDC itself, and the company in which the SBDC invests money.

Mr. Laughren: Which then invests in another SBDC.

Hon. F. S. Miller: I suppose one can go on and on.

Mr. Laughren: One could and would.

Hon. F. S. Miller: The first thing is the 30 per cent grant; the member asked a question about that. We are told that the grant, the tax credit, will not be taxed as income by the Department of National Revenue. They have already sent out an interpretation bulletin, IT-273, and confirmed this to our staff. They will not tax that 30 per cent as income. The second part was whether the capital gains tax on an investor's share would be taxed from the 70 per cent level on the 100 per cent level. The current ruling, as I think I told the honourable member, is that it would be taxed from the 70 per cent level. The capital gains would apply when it was sold. That is one I would like to discuss, as I mentioned earlier, with the federal government when the time permits, hoping they might change their ruling.

Mr. Peterson: Can the minister tell us about the negotiations? I am just interested.

Hon. F. S. Miller: Those were strictly staff negotiations. They were done in a fairly loose way over the telephone, talking back and forth around the time the legislation was in the preliminary drafting stages, and also right after it was announced in the budget.

Very often staff will give what they feel will be a ruling; but until senior officials have had a chance to look at it they can't confirm that it is so. Therefore, at one point we thought there had been an agreement that the 30 per cent would not be taxed for capital gain. Later on somebody else said

they felt it would have to be. I have not tried to go the political route and discuss it with a minister. I would do that once we have this legislation through and once things have settled down in the Ottawa scene.

Mr. Laughren: If you get it through.

Hon. F. S. Miller: Well I hope it will go through.

You can, of course, take the borrowing costs, if you borrow money to buy your SBDC shares. That is a deductible expense as it is for any other investment.

If the investor receives dividends from an SBDC I am told they are treated as any other investment dividends would be treated for purposes of the Income Tax Act.

The SBDC itself, as we see it, would have three major sources of income.

Mr. Peterson: Is there any other way you can get the money out of an SBDC besides dividends?

Hon. F. S. Miller: I suppose there could be ways of getting it out on a salary basis. I don't know whether that has been ruled on or not; I don't think so. In most corporations, they are entitled to put somebody on payroll. The question is, if you take it out you are going to pay income tax on it at whatever rate you pay taxes on income anyway.

When I have had a small corporation, I very often found it cheaper to leave it in the corporation than to take it out on a personal basis.

We assume the SBDC would have dividend income; interest on any debt, investments of any form or from the trust fund, and any management fees it may charge to companies with which it is affiliated would be treated as normal income by the SBDC.

Mr. Peterson: For which they will pay full rates—small business rates.

Hon. F. S. Miller: Yes, because it is a small business.

Dividends are tax-free to the SBDC. There are a couple of technicalities in that, depending on whether the SBDC is public or private. If the member wishes to have those technicalities we can get into them, but the Income Tax Act covers them.

Interest income is naturally taxed in the SBDC and is deductible by the small business. Management fees are taxed as normal income in the SBDC.

I think that really clarifies the kind of things the honourable member was asking on the tax side, or I hope it does.

The next question was why there is a minimum of \$250,000. Secondly, the member said \$5 million is probably too little. I

have said before we have chosen those limits believing they are practicable, hoping they are and realizing experience will tell us if they are not. They can be subject to change with the consent of this Legislature. We simply wanted to put the maximum on to prevent large corporations from using this as too convenient a vehicle.

The 40 per cent, 70 per cent investment requirement I think was questioned by both opposition critics. We want to ensure that capital on which the government has made a grant is put to work. That's why limits were put in, I think that's obvious. The venture investment corporations had an 80 per cent level; we dropped this to 70 per cent, hoping that 70 per cent would be realistic.

[8:15]

The 40 per cent requirement within one year we believe will be practical because we would assume that many SBDCs would have searched out potential investments almost in advance of being formed.

We do have discretion to relax the 40/70 limit if the minister of the day feels the SBDC is complying with the spirit of the act. There is some discretion should he feel they're doing their best and particular conditions have caused them not to be able to go ahead.

I hope that's covered some of the points. I would be glad to answer any others as time goes on.

Mr. Chairman: We'll now come back to the proper procedure of committee. Are there any questions, comments, or amendments?

On section 1:

Mr. Peterson: On section 1(8), how are you defining "affiliated corporation" in this act? What does that "affiliated corporation" mean?

Hon. F. S. Miller: "Affiliated" is spelled out here. I'd have to look for the section.

Mr. Peterson: I couldn't find it. I'm not saying it isn't here, but I couldn't find it.

Hon. F. S. Miller: I went through it all a few minutes ago and I found the definition of affiliation. It's section 1(4)—do you have it there?

Mr. Chairman: Perhaps the member for Brantford might proceed on section 1(1).

Mr. Makarchuk: While the member for London Centre is perusing his navel, I wonder if the minister could explain, on section 1(c), debt obligation, why he hasn't considered the idea of promissory notes or term

notes being considered as a debt obligation. Is there some specific reason?

Hon. F. S. Miller: I would assume that section 1(c) does permit those. It's spelled out there.

Mr. Makarchuk: Am I correct in understanding that the phrase "or other similar obligation" would include an ordinary promissory note?

Hon. F. S. Miller: Yes.

Sections 1 to 3, inclusive, agreed to.

On section 4:

Mr. Chairman: Hon. F. S. Miller moves that clause (c) of section 4 of the bill be amended by adding at the end thereof: "and not more than \$5 million."

Mr. Peterson: Supposing someone comes and wants to create one for less than \$250,000. Does the minister feel he has the discretion to allow that? Supposing it was a small venture in a small town? Would he feel he had that flexibility?

Hon. F. S. Miller: My impression is I would not have that flexibility under the act at the present time. And my staff are confirming that.

Mr. Peterson: Would you like to have that right now?

Hon. F. S. Miller: I would rather not have right now. I would rather have a short while to see what kind of demand there is at this floor. I can only assure the member I will be pleased to come back to this House if either the member's party or the NDP or our own operation shows us this floor is too high.

Mr. Peterson: It's very important to me to understand who you feel are going to be the major takers on this proposition. Do you see that it's going to be a sort of populist capitalist movement in small towns of people participating in one company, the kind of investment club you described earlier in which you are a participant? Or do you see it as more large companies using it as a tax shelter device? Obviously, there is going to be a mixture of all of those? They will all look at it, I assume. In your conversations since you published the act and from the inquiries you have had I'm interested in whom you see principally using this device?

Hon. F. S. Miller: That's not easy to be sure of. I sense there will be a number of large corporations willing to form SBDCs. That by itself does not worry me, because they must invest it in small corporations, that is the major purpose of this. But I sense that the greatest popular appeal will be to groups

of friends in professions who wish to have other interests in life besides their own particular business and will find a vehicle of this type both an enjoyable exercise and a potentially good investment.

Around this province, I think you'll find many groups of businessmen who, without the benefit of a small business development corporation grant have entered into some kind of investment in their community. I just sense this will attract more of them to do that.

Mr. Peterson: To whom do you feel the small business development corporation will sell its shares in the small business? The majority shareholder or the people there now have the first call on that. Do you visualize a secondary market for shares in small companies? How do you see that?

Hon. F. S. Miller: I don't really perceive a large secondary market in these companies because they're too small in most cases to do that. You may get the odd one that runs to the \$5 million limit that tends to get a number of shareholders. Again, my little company, Santa's Village, is traded now because you've got up to 350 people, and at that point, to hand them out, the I'll-find-a-customer-for-my-shares approach doesn't work. You get to the point where somebody has to create a secondary market for you, and it's not too hard to find someone to create a secondary market when you get to that level.

Mr. Peterson: When an SBDC goes into a small business, do you see a lot of complicated, buy-sell guaranteed arrangements for getting in and out; for example, bringing on book values ahead of time and that kind of thing? Or is that something where you just say: "Look, let the marketplace take care of that. I just don't want to get involved ministerially." I guess you're not prepared to do that? I'm interested in your vision of how this will work. You haven't convinced me it's going to work yet.

Hon. F. S. Miller: That's one where we have thought through the process and wondered whether we needed to try to complicate it by saying we would not allow guarantees, for example from the small company receiving it, when preferred shares are bought. We came to the conclusion that at this point we would rather allow the marketplace to try to determine what kind of agreements are made between sellers of shares and purchasers of those shares, rather than have us set down in concrete a bunch of rules that may not reflect the way the market is going to function.

Mr. Peterson: In that circumstance, you visualize the majority are going to go for supplementary letters patent and create a new class of preferred shares which is going to be the financing mechanism? In the majority of cases I gather that's how you see it; or it could be a common share thing or it could be some kind of interest-bearing share. In other words, it wouldn't be dividend-passing but it would be interest-passing.

Hon. F. S. Miller: It could be a dividend per share.

Mr. Peterson: It could be. There are all sorts of varieties of preferred shares; some are dividends. They could, theoretically, have some kind of security they pay interest on. Do you visualize that?

Hon. F. S. Miller: I would like to see—and my staff will be much more knowledgeable on this—the kinds of shares that may be issued by a corporation that had voting rights. I would like to see which of those were able to pay straight debt. I suspect that you've got an incompatible requirement there when there is a straight pass-through of interest without pretax being collected in the company paying that debt obligation.

I don't really see the preferred share being as attractive to most potential investors as the common. The preferred is a possible one, but I would gamble that most of the people getting into these corporations are gamblers to a degree. They are going to want to see the equity value go up, and as you know, with preferred shares in most cases that is not likely because of the obvious advantages preferred shares have by their very definition.

Mr. Peterson: You may be right, but you have created a problem that I want to discuss with you. At that stage, when you have issued, let's say for the sake of argument up to 49 per cent of the common shares to someone else, first of all you have diluted your own equity and you have driven your price-earnings ratio down, assuming there are earnings. Then when you do declare a dividend you cannot do a preferential dividend; you have to dividend out to all stockholders. Frequently, these little companies we are talking about are so squeezed for cash they don't want to declare a dividend and they can't treat one shareholder differently than they treat another shareholder.

I am just questioning the prospect of dividends in a lot of these cases. If they are all that successful that they are going to be making that money they probably wouldn't have to go to this kind of financing mechanism anyway, which very frankly is probably

going to turn out to be a very expensive one for the small business.

Hon. F. S. Miller: Again, if the company elects to go the common share route, to purchase common shares in somebody else's company, the odds are very good they aren't going to want to drain it of cash unless it can afford to pay dividends. Even so, let's suppose for some reason or other the SBDC wanted a dividend paid in the company: first, it hasn't got control, so that the decision to pass the dividend through—

Mr. Laughren: They haven't got a majority.

Hon. F. S. Miller: You are right, they haven't got a majority; I'll take that back, they may have control. They can make this kind of decision, if the SBDC shareholders through any persuasion or control convinced the small company it should pay a dividend and if the other shareholders really don't want that dividend, then they can use a very common mechanism. The dividend is paid and received by all shareholders because it must be. All shareholders of the class must receive it, but those who do not wish to retain it because of their interest in the small business can lend it back to the corporation under any terms and conditions they wish to. That is done reasonably regularly.

Does the member for Nickel Belt have another point?

Mr. Laughren: I was just paying tribute to a member in the gallery whom some people might not recognize, the member for St. Catharines (Mr. Bradley).

Mr. Peterson: He is a great member.

Mr. Laughren: I just wanted to comment on what my colleague from London Centre was saying. While people might not want to give up equity, they may have no choice. Small businessmen do not willingly give up equity; they do so because they have to in order to achieve more capital in the enterprise.

What needs to be on the record is that we understand that people do not go to either a bank or an SBDC in order to get money unless they are to the wall to start with. Maybe that is an extreme way of putting it, but surely the problem with many of the small business enterprises is that when they do go to a traditional lending institution they are told: "You don't have sufficient equity in your enterprise, therefore we will not make a loan to you." The addition of money into the enterprise would then allow them to achieve a certain credibility in the financial institutions where they want to borrow money.

It is a problem if we only look at it as a problem for the business enterprise that does not want to give up equity without looking at the reasons why anyone would give up equity. In this case I think it is because they want to borrow money, while if they had their druthers they would druther not do it; but in fact they probably have no other choice.

[8:30]

Hon. F. S. Miller: Mr. Chairman, that's very true. The choice between a preference share and a common share in terms of the equity sold is important at that point, because the one has an easy route to be purchased back by the original company, therefore regaining their total ownership at some future time.

There's one other thing, though, that will make many a businessman be glad to get an equity partner or a preferred-share partner these days instead of going to the bank for a loan, even when the money is available. That is, at today's interest rates it's often cheaper—often it's the only way a company can survive—to avoid large payments on interest for a period of time.

One must recognize, as I said the other night, that because of the 30 per cent refund on a preferred share, if the coupon rate on a preferred share is say, 10 per cent—which would be high—then the return to the investor is in the range of 14.2 or 14.3 per cent. In effect, it's a mechanism for the investor in a preferred share to get the going rate of interest without necessarily charging the going rate of interest to the recipient.

I think there are a couple of advantages to small businesses in going this route. Many a company—and I think the summer resort business is a classic example of this—simply can't pay today's interest rates on borrowed capital.

Mr. Laughren: What do you know about that?

Hon. F. S. Miller: I know a fair amount about that one.

Mr. Peterson: The minister is assuming that the SBDC will take a coupon rate on its preferred shares at less than market. I'm not sure that's a particularly valid assumption. I mentioned the other night—and I'm happy that my friend from Nickel Belt mentioned it tonight too, although we haven't got to that section yet—that I think the minister has really missed a bet by not allowing some debt participation.

When I was speaking on this the other night I determined that my friend the Minister of Transportation and Communications

(Mr. Snow), who is a very sophisticated businessman and brings a great deal of experience and success to this House, has quite a different philosophy of business than the minister's. Both ministers are successful, but he is of the view that he would never give away a share of equity.

We must have something to work with that kind of an entrepreneur, who wants to do it on his own, who doesn't want to divest himself of equity or to disperse his equity. I think my friend from Nickel Belt is right. I feel fairly strongly that the minister has missed an important bet, an important possibility of making this act workable—something I question anyway.

Hon. F. S. Miller: Mr. Chairman, I'm glad that the honourable member says I'm successful. I am broke but successful, because I have a great family, a nice life and a lot of other things.

Mr. Laughren: If you're successful, it's because your investments are in a blind trust.

Hon. F. S. Miller: That's partly the case. No, they're with a blind trustee; there's a slight difference. However, let me only say this: We can argue for a long time, and I may have to come back into this House and tell the honourable member he was perfectly right—

Mr. Peterson: Would you promise to be humble when you do it?

Hon. F. S. Miller: I promise to be humble. Am I not always humble?

Mr. Makarchuk: Mr. Chairman, I would like to raise a point as a matter of clarification. The member for London Centre says there will be no debt participation, but the minister is saying by definition that participation by debt will be permitted. As I can see it right now, what will be happening is that, instead of the SBDC becoming an equity corporation, I think the emphasis will be increasingly that the investment will be in terms of promissory notes. You can get it in both ways. The small businessman will be in a position to keep control of his corporation without having somebody tell him; at the same time, extra cash might be available to him at a more or less reasonable rate, or a more reasonable rate than what's available now.

Hon. F. S. Miller: The limitation on the debt is in the percentage of the total capital in the SBDC permitted to be in that form, and in the legislation that is limited to 30 per cent of the total invested capital. Seventy per cent must be in eligible investments of the equity type. I think that's the correct figure.

Motion agreed to.

Section 4, as amended, agreed to.

Mr. Chairman: That completes section 4. There is an amendment to section 9. Are there any comments on sections 5 to 9?

On section 5:

Mr. Makarchuk: I have something on section 5(4). What happens if there are groups of people involved in setting up an SBDC—this is assuming the operation has been in existence for a while—and all of a sudden it is decided that funds will be cut off, that there will be no more government funds available for the 30 per cent? Is it going to be advertised that “This is your last chance,” or “You have got 30 days,” or something; or by a cutoff date for any new SBDCs to come on stream? Otherwise, some people may have gone part way, gone through the legal formalities, have lined up the money and everything else, and then find out that they have been cut off.

Hon. F. S. Miller: I would hope that the honourable member would realize that is a mechanism by which this House will have some measure of control over the money spent on SBDCs in future years, because it will become a budget item in a ministry vote, and as such an amount of money would be set each year.

Mr. Makarchuk: It is not in this year's budget.

Hon. F. S. Miller: No, it isn't in this year's. It is in my ministry vote this year under the Employment Development Fund money. It is not set as a specific line item because in this first year we are not able to set a figure for it; but this is the mechanism by which one stays within a vote and item number in government. It is the kind of control we expect on all governmental spending; otherwise it could be completely open-ended.

Obviously, we would have to advise corporations that the budget funds had been used up if, as and when the budget in any one year had been totally used. I don't know that one would be able to advertise 30 days in advance, because in fact what is the use of doing that if the applications already coming on stream can't be handled. One would simply have to say, through the process of registration, that the registration can be accepted and can be used in the next budget year but it couldn't be used in the immediate budget year.

Mr. Makarchuk: That is the element of concern here, the fact that there will be some people who will be going through the process of setting it up, will almost com-

plete the whole operation and then be told by the government, “You are too late, we haven't got the funding”, or, “We have cut out the funding.”

We have seen this happen in other programs. The home repair program is a good example, where the people are told, “Yes, funds will be available for repairs to your home from the government.” They go ahead, they get the estimates, do all the things that have to be done in order to qualify; they fill in the forms, send them in and then are told, “There is no funding available.” That gets them annoyed and everybody else annoyed, and people become rather concerned about the whole function of government.

What I am asking here is that surely some kind of mechanism can be installed so people who are embarking on an SBDC will know that they have got the chance to go through the thing, put it together, and that funding will be available from the government; otherwise they could be told, “You are cut off. This is the date you are cut off,” and that's it.

Hon. F. S. Miller: Again, that kind of problem can be found in almost every vote in this House in that there can be demands in excess of the amount this House allots for a vote.

Obviously, through the mechanisms of Management Board, the Minister of Revenue has the right to recommend changes in the amount of money, and if Management Board, in its wisdom, says that the program is worthy of a supplementary vote, fine. If it is given extra moneys that are found in somebody else's vote, fine.

There can be no fiscal responsibility in government—I quite agree if we are getting to the point where we are oversubscribed we have a responsibility at that point to let it be as widely known as possible so that people won't be going through the motions only to find the money was gone before they started. That is not easy to do in this world, because I think we would have to admit one could put advertisements in every paper in this province and still have people miss that fact.

Mr. Laughren: The reason I am concerned about this section is that it is self-serving. It has nothing to do with the fact of whether or not it is a good piece of legislation, or whether or not the small business community will be attracted to this. The reason I say it is self-serving is that no one will ever be able to say to the Treasurer of the province of Ontario. “Your program was a success,” or, “Your program was a failure.” That is why the Treasurer has it in here in such an open-ended fashion. If he doesn't

put a ceiling on it, how can anyone say to him, "Your program was a failure"? Nobody can say it.

The Treasurer frowns. I notice he is doing that more often lately.

Hon. F. S. Miller: It is the job.

Mr. Laughren: Yes, it is the job.

Mr. Makarchuk: Is the pay good?

Mr. Laughren: There must be a ceiling on this program. I don't believe the Treasurer has that kind of authority in the government that he can have a program without a ceiling.

Hon. F. S. Miller: That is what I am trying to say, there is a ceiling.

Mr. Laughren: What is the ceiling?

Hon. F. S. Miller: We tried to explain that in this first year we have not got a specific vote in a budget. I have \$200 million in an Employment Development Fund. I have mentally set aside \$20 million for this purpose, hoping it will be used for this current year. I think the size of a future year's allocation will be a measure of whatever priorities government is giving to economic stimulation that year, plus the measure of the demand in the business world for this kind of SBDC.

I think I can paraphrase Mr. Parizeau when he said in his budget he didn't know how much it would cost him for his program this year, but he hoped it would cost a lot because he wanted to see it work.

Mr. Peterson: It cost him nothing because it was a dog. That program of Parizeau's is a dog. It's not a dog, it is un chien.

Mr. Laughren: I understand the Treasurer wants it to cost a lot. It does seem to me you are saying the program has a mental—for lack of a better term—figure of \$20 million you think will be spent on it. Are you telling us if it goes above \$20 million it will not be allowed? Are you telling us the Employment Development Fund really only has \$180 million in it? What are you telling us about this program? Is it directly subtracted from the EDF?

Hon. Mr. Miller: Mr. Chairman, this is an employment development function too, and as such I think it is as useful, and perhaps even more useful.

Mr. Laughren: How many jobs?

Hon. F. S. Miller: How can one say how many jobs are going to be in any one corporation?

Mr. Laughren: What is your prediction? You've got \$20 million in money, how much in jobs?

Hon. F. S. Miller: The fact is that \$20 million of our money would mean 2.33 times that many dollars of investors' money. That would be \$47 million, so that would be \$67 million going out before we spend \$20 million. Is that right?

Mr. Laughren: Something like that.

Mr. Peterson: Some of these companies are in existence.

Hon. F. S. Miller: Okay, but that is \$67 million of extra investment capital.

Mr. Peterson: They will sell some shares and pay off the bank.

Hon. F. S. Miller: That is possible, but again that is replacing debt by equity. I think the honourable member would tend to agree that no one would do that in a small company unless they had very good business reasons for doing it, for all the reasons the member just spelled out a few minutes ago. Anytime I can borrow money at the bank and can afford it I am like my colleague, I am not selling shares to other people except where I have a reason to give an employee an incentive to be my employee. In each of the businesses I have owned I have always sold 49 per cent of the shares to the person who manages my business at whatever cash they have because I get the most competent, loyal, interested, low-paid—no that last one isn't correct—

Mr. Makarchuk: That was the accurate one.

Hon. F. S. Miller: —partners possible.

Mr. Laughren: Mr. Chairman, what is bothering me about this, and I am glad the minister is coming around to it finally, is there is not a single proviso in this whole legislation that talks about job creation. I suspect the minister would agree that is a very serious problem in Ontario. There needs to be job creation. If there was job creation there would be the spinoff benefits of job creation which we don't need to detail here. [8:45]

Mr. Peterson: Save that for your main speech.

Mr. Laughren: No, but the Treasurer has made absolutely no projections at all on the number of jobs to be created. There is absolutely nothing in the bill that says a company can't accept the money from an SBDC and invest it in another SBDC as a corporation.

Hon. F. S. Miller: I think you are wrong.

Mr. Laughren: No; I am not wrong. If the SBDC puts \$100,000 in a business, that business can then take that \$100,000—there is no

requirement that they expand the operation or reduce their debt—invest it as a corporation in another SBDC, and receive a 30 per cent write-down on its corporation tax in the following year by investing in another SBDC. That other SBDC then invests in a company, and that company can then invest in yet another SBDC and have a 30 per cent write-down.

That's what is bothering me about it. While we are supporting the bill in principle we can see enormous potential for kiting of funds from one place to another. Surely that should be a worry to the Treasurer.

Hon. F. S. Miller: I will get a legal opinion on that in a second. That is the kind of thing I am not going to offer an opinion on until I have had a lawyer send me a note on it.

Mr. Laughren: Would you be worried if I am right?

Hon. F. S. Miller: I can only say this: I suppose it is conceivable that some money invested in a small business will by its nature—Yes, section 9(d)(i) prevents reinvestment of the money. I was pretty sure we had it plugged.

Let's get away from your chain-letter type of thinking for a second and talk about what happens to money put into small corporations. The amount of money required to create a job varies greatly from industry to industry.

Mr. Laughren: Half a million dollars in some cases.

Hon. F. S. Miller: Sure. I have seen it even more than that. In the big petrochemical plants in the Sarnia area, I believe the cost is \$1 million per job. We are now talking of very highly automated, capital-intensive companies. Most of Ontario's small businesses are not as capital intensive as that. If one looked at the tourist industry 10 years ago we estimated that \$5,000 to \$6,000 created a job. I would guess today it would be closer to \$15,000 per job created.

In most instances, when a company receives an infusion of capital it will do something with that capital like buy a machine or add on to the premises. Almost everytime that addition requires extra people; there are very few instances where you can simply use capital without labour.

Mr. Laughren: Mr. Chairman, I think I am jumping ahead when I respond to the Treasurer here. He implied that my comments about the reinvestment of funds was covered by section 9(d). I don't believe that's correct. I suspect the Treasurer got that information by a memo from his staff, but section 9(d) says that the investment must not be used by the small business for the purpose of relend-

ing. I think that's what they are hanging their hat on.

Investing in another SBDC is surely not "relending." It is an investment by a company in another corporation. I doubt if that would be legally interpreted as a lending operation. I could be wrong; I am not a lawyer, thank God. But I really wonder if that is the proper interpretation. I don't see it being covered under section 9(d)(ii), or 9(d)(iii), or 9 (e).

Hon. F. S. Miller: If the honourable member is in doubt, or if our lawyers on examination of 9(d)(i) feel he has a valid point, and he may have, I am certainly willing to see that an amendment be put in there to clarify it for him.

Section 5 agreed to.

Section 6 agreed to.

On section 7:

Mr. Makarchuk: Would the minister indicate what coercive powers he will exert on the SBDC if, at the end of the first year, they haven't got their 40 per cent out and at the end of the second year they haven't got their 70 per cent? What action is he going to take against them? How is he going to do it?

Hon. F. S. Miller: Mr. Chairman, if I'm not wrong, there are a couple of sections that will deal with that. Section 8 deals with the trust moneys and would allow us to deregister a company and take back the amounts of moneys given to the shareholders as a grant, if I'm not wrong. Also, section 28 sets out conditions under which we can deregister a company if it hasn't managed to meet our targets, and also where the spirit of trying to meet them has not been visible.

Do you remember I said earlier there would be a discretionary power for the Minister of Revenue to decide if there were good reasons?

Mr. Peterson: That's putting a lot of pressure on the member for Parry Sound (Mr. Maeck).

Hon. F. S. Miller: Let's be honest. If there isn't at times the right to use discretion then very often some silly but required statutory moves are taken. I don't think you'll find the civil service, which would recommend those kinds of things to the minister, would do it lightly, unless they had a good reason to recommend a waiver of the 40 per cent/70 per cent sections.

Mr. Makarchuk: Mr. Chairman, again what concerns me is you could deregister the SBDC, but isn't that really in a sense defeating the whole purpose of the operation? It leaves in your hands some rather arbitrary powers, sort of ministerial discretion or civil

servant's discretion, and it again leaves things up in the air.

The investor, the person who will be putting money into the SBDC, may be under a certain amount of apprehension with the knowledge that if they do not get their 40 per cent of the funds out in the first year they could be delisted and the whole thing falls apart. They would have to turn back the 30 per cent and everything else. After going through all the rigmarole of setting up the corporation with all the legal requirements to fulfil, et cetera, they're behind the eight ball; they would be losing money strictly because the minister has this kind of discretion.

Hon. F. S. Miller: Mr. Chairman, there are also abuses open in the other direction. I think one has to have a balance so people couldn't use an SBDC as a convenient vehicle to get their 30 per cent cash rebate and invest in Canada Savings Bonds or a trust account with certificates of deposit paying 10.25 per cent—or whatever the rate may be on a given day—effectively giving them, say 15 per cent and not achieving any of our goals. Therefore, there has to be a requirement for investment in eligible investments. The only counterbalancing force would be the right to appeal, to say "We are unable to meet those criteria at this point because of the following reasons, which are valid." I have enough trust in our system to believe that will function fairly.

Mr. Peterson: We've already discussed the 40 per cent 70 per cent and we all have little problems with it. I don't know what more we can say, but I want the minister to explain to me how he figures, and I know it's only partially on this section, but let's discuss it now, the trust fund payout is going to work.

The money goes into the SBDC, there's 30 per cent set aside in trust. It semi-relates here, maybe we can discuss it here or maybe you would rather discuss it with section 8, it relates to the two.

When is the minister going to release that trust? At the point the 40 per cent is released the first year or at the point the 70 per cent is released? How does that relate to when you're going to pay the guy back his 30 per cent bonus for investing?

Hon. F. S. Miller: If you read section 8(2) I think it explains the mechanism by which the release is made. It says: "The minister shall permit payment from the trust fund of an amount equal to three-sevenths of the purchase price by the small business development corporation to acquire any eligible investment, provided that the minister is satisfied . . ."

As the company starts investing from day one, as I would read it, they are able to get that money back. In most cases you won't be dribbling your money. You will be making discreet purchases in companies for considerable amounts of money. Each time you put \$50,000 or \$100,000 into the company you would then get back three-sevenths of your trust fund or it would be released on that basis.

Mr. Peterson: When do you get the thing back from the government?

Hon. F. S. Miller: When do you get it back from the government?

Mr. Peterson: There's a section in here that says on registration, I believe. I was wondering about the timing of the three things.

Hon. F. S. Miller: Let me try and find the section. It's in here quite a bit further on, as I recall. I may have to have somebody who has written the bill tell me the section number. Payment of grants, section 21, I think that's the one we're going to talk about. Do you mean how you get your 30 per cent?

Mr. Peterson: Yes.

Hon. F. S. Miller: It's in section 21, as I understand it. I'm looking for confirmation. That's right, yes. The details will be there. If you want to discuss it when we get there, fine.

Mr. Peterson: I'm just trying to relate the three things. I thought this was a good chance to explain the point at which I make my investment in the SBDC related to the time I get my cheque back from the government, related to the time the SBDC makes its investment in a small business. How does that relate to the time when the money is released from the trust? It seems to me the timing of all of that is important. I don't pretend to be able to relate all of those sections together. My point is, if the guy is not going to get his 30 per cent back for two years or until such time as the investment is being made, or coming up to the 70 per cent level, you can see that the immediate reinforcement is somewhat delayed, and like a Pavlovian dog, he will react a little later than he is supposed to. Can you help me out with that?

Hon. F. S. Miller: I can't give you an exact timing on it. I would like you to read section 21 carefully.

Mr. Peterson: I read it, that's why I asked you.

Hon. F. S. Miller: Okay. It doesn't prescribe times. It says: "The minister may

pay a grant equal to 30 per cent of the amount of money actually paid by the applicant to the small business development corporation for equity shares." That, to me, would mean, I would think, on acceptance of the registration of the company. I would guess that's the time. Yes, I'm told that's right.

Mr. Peterson: Your administrative plan then is to get that bonus back as quickly as possible upon the registration of the SBDC. I wanted that clearly on the record.

Hon. F. S. Miller: That's possible, because the 30 per cent is held in that trust fund so the risk is not that great. That is, 30 per cent of the invested capital of the SBDC remains in trust if they don't go ahead and make any investments. We always have something against which we can lay claim if that company doesn't try to reinvest its money.

Mr. Peterson: The only thing I can't understand is at what point is the person entitled to invest 100 per cent in the trust fund?

Hon. F. S. Miller: He can invest 100 per cent. I think the three-sevenths ratio soon runs you out of money. The three-sevenths ratio, if my mathematicians have done their work correctly, will exhaust the trust fund as you reach 100 per cent of the invested capital.

Mr. Deputy Chairman: Does any other member wish to speak on section 7? Shall section 7 stand as part of the bill?

Mr. Peterson: No.

Mr. Deputy Chairman: You're not satisfied yet?

Mr. Peterson: Maybe I'm sort of crazy, but I just want to pursue this a bit. At the point the SBDC has invested, assuming they invest 100 per cent, the trust fund has been paid out, or at least it's been dispersed; what protection does the government have if there is something untoward going on? The whole object of the trust fund was to protect your investment in the original investor. What is your protection at that point except you can sort of move in on the SBDC and take its assets or the shares it holds in other companies? Do you have any ideas on that?

Hon. F. S. Miller: I let my mind wander for a second, Mr. Chairman, I was thinking of an answer to another question. I'm sorry I didn't hear you pose it clearly enough.
[9:00]

Mr. Peterson: I didn't pose it very clearly because I don't understand it. I thank you for giving me another opportunity to do the same.

We have these provisions in the act to pay out on the trust fund on a specified ratio. The reason for the trust fund is to protect the government's interest in the little bonus or prize they give to the investor, but that protection the government holds is gone as soon as all that money has been paid out. As soon as you have qualified and you have gone up to more than 70 per cent then you can invest the rest in equities, or whatever, of other small businesses, the small business or whatever. My point being, what protection does the Ontario government have if there is something untoward at that point? It doesn't have any access to a liquid pool of cash to get its money back.

Hon. F. S. Miller: There are clauses in here that we have for the winding up of a company, and we have clauses requiring an average amount of money of 70 per cent to be retained in eligible investments. I think it is section 24, recovery of grant or tax, that would apply to the winding up of a corporation, it spells out the amounts we get back, because in not every case will the company make a profit; they can go bankrupt and we won't get anything back. But you realize when we wind up these corporations we get our 30 per cent back.

Mr. Peterson: How do you get it back?

Hon. F. S. Miller: Section 24 spells that out if you want to go through it. In other words, it is a deferral of tax. If you leave a corporation existing for ever, we never get our money back. But if the company wants to wind up its investment and wind up the SBDC, then that money is no longer available for placement in the market and, therefore, no longer should the credit apply. There is a mechanism then, if the company winds up its assets, to get back the 30 per cent, because they are no longer complying with the intent of our policy. You can understand that, if you didn't have a clause like that in there, you could have people who could wind up a company very quickly, having achieved their objective of gaining 30 per cent and, in effect, disappear.

Mr. Peterson: So you are just making a loan to the investor.

Hon. F. S. Miller: You are, in effect, making a loan to the investor of 30 per cent at zero interest, as long as he leaves the moneys in the marketplace.

Mr. Makarchuk: He could still disappear, but by the time you catch him it would be too late.

Hon. F. S. Miller: Sure.

Section 7 agreed to.

Section 8 agreed to.

On section 9:

Mr. Deputy Chairman: Hon. F. S. Miller moves section 9(1)(c) of the bill be struck out and the following substituted therefor:

"(c) the investment is the purchase and acquisition from a small business by the small business development corporation of equity shares issued by the small business, but where the equity shares are issued as part of a transaction involving the purchase or redemption, directly or indirectly, of any previously issued equity shares of the small business or an affiliated corporation, the investment is an eligible investment only to the extent that the investment represents net new equity capital calculated in the manner prescribed."

Hon. F. S. Miller: That mouthful really prevents companies from buying back a class of shares, reissuing another class of shares, and having somebody claim 30 per cent without any more money having gone into the company. It simply cleans up the wording of the section we had here. The intent is the same, but the lawyers in looking at it claimed we should rephrase it.

Mr. Makarchuk: Mr. Chairman, I would like to speak on section 9(1)(a). This is a matter that was raised in the speeches. What assurance does the Treasurer have, despite his statement that it has to be resident in Ontario, Canada and so on, that he can prevent the setting up of quasi-Canadian corporations—front companies, really—which in effect are paying a great deal of their income in terms of some other means, outside of wages and salaries, to a foreign corporation. They could be management fees, licence fees, patent fees, royalties, et cetera.

Those are the other avenues available, and that is a problem right now in terms of whether we have some control over whether the corporations are paying their fair share of taxes because they are in the position to manipulate the internal pricing within the thing. Although it ostensibly will be a Canadian or an Ontario corporation, it can still be milked dry or be a front for a foreign operation, and really you're not any further ahead. They still have, in addition to that, received the advantage of the 30 per cent grant from the government.

Hon. F. S. Miller: The kind of problems the honourable member describes certainly exist in the multinationals where they are either totally owned by a foreign company or controlled by one. In a case like this, we have two clauses in the act. One is the section to which he is referring that says,

"75 per cent of the salaries must be paid in Ontario." That doesn't protect ownership at all.

A second section a little further on—it's section 9(f)(i)—says: "An eligible investment is a small business in which no more than 25 per cent of the total number of issued and outstanding equity shares of the corporation are owned by foreigners, and no more than 10 per cent owned by any one person." I would have to say under those conditions, with the limitation of 10 per cent in one individual's hands and a sum total in foreigners' hands of 25 per cent, the kind of agreement you just talked about becomes almost academic. I won't say there won't be legitimate charges for a royalty or a patent right of some type, but the likelihood one is transferring moneys to another tax jurisdiction almost totally disappears.

Mr. Makarchuk: I won't argue with that. My legal knowledge isn't that profound, and my consultant, Mr. Warner, is in agreement with me. It's like the Bank of Sark, if you remember the story, where they had the office upstairs and the waitress who worked in the restaurant downstairs occasionally answered the phone and she was the Bank of Sark. They channelled through countless, well not countless, but many millions of dollars in the process. This, it seems to me, despite the fact you've got the shareholders and so on, offers no protection. Assuming they were paying it out in equity or in dividends, et cetera, then there is some control, but it seems to me there is no protection in this legislation for the kind of milking that can happen and does happen. Right now, it happens, with the multinationals with their branch plants; and I'm glad the minister acknowledges that as a fact.

It still seems to me this can happen in this bit of legislation. I'm not sure what kind of an amendment we could put in this, but perhaps it could be something to the effect that the payment in royalties, patents, research fees, et cetera and so on to a foreign corporation shall not exceed more than 25 per cent of the total salaries and wages, or something of that nature. That would put in a restriction. Whether the figure of 25 per cent is a proper figure or a fair figure or one that will not hinder the operation is something very difficult to ascertain at this time. I feel there should be some concern about this, and, although at this time the minister is not prepared to do something about it, it's something that should be watched.

Hon. F. S. Miller: We'll watch it.

Mr. Makarchuk: We should be certain it is an Ontario operation and the money does stay in Ontario, or the great percentage of it stays in Ontario.

Hon. F. S. Miller: I agree, our intentions are the same. We will watch it, and if we felt the protections built in in terms of ownership weren't adequate then I think we'd have to consider other means.

Mr. Peterson: One more time for the record, I want to say I think the prescribed list may be a little tight. One of the problems, of course, as was said before, is as soon as a company is successful there are no longer eligible investments. We want to encourage labour intensive industries here and manufacturing is a questionable term. Who knows what manufacturing means these days?

Hon. F. S. Miller: I'm listening.

Mr. Peterson: There are various different gradations of it. I think we should be a little more flexible and I think we should also consider some kinds of service industries. After all, we're looking for employment, which is the fundamental object of this act, and I think we're being a little tight. Number two, I would like to see a loosening of the act in terms of investing in the debt of prescribed companies.

Number three, the fact you can only own 49 per cent is also a limitation that may or may not, over a period of time, be a hindrance in this particular case. It certainly prevents some of the bigger syndicates from becoming involved, and it is something I think we will have to take note of and maybe look at a year from now if this bill comes back before the House. But that is just for the record, because I don't know the answers to those questions any better than the Treasurer does.

Would you explain to me what 9(1)(g) means?

Hon. F. S. Miller: Just by coincidence, Mr. Chairman, that is what I was over talking to the lawyers about.

The wording to me, as a non-legal person, is difficult to interpret. The other night I asked my lawyers about it because you brought it up in your opening comments, and I guess there are times when I have to trust them.

Mr. Makarchuk: You know what Shakespeare said about lawyers, don't you?

Hon. F. S. Miller: What did he say, Mac?

Mr. Makarchuk: He said first we shoot all the lawyers—or kill them.

Mr. Martel: You know what Bob Nixon said about the lawyers. Take all their QCs away from them.

Hon. F. S. Miller: The clause there allows us to prevent some of the things the member for Nickel Belt referred to earlier—that was the reinvestment of an SBDC into an SBDC, et cetera—because we are able, through regulations, to prescribe the classes that would not qualify.

Mr. Peterson: This gives you the power to prescribe what won't qualify, as opposed to what will qualify. So you are going to have a list of everything in the whole world that won't qualify.

Hon. F. S. Miller: No, no, no. I think we could by exception name a non-qualifying company. In other words, if it wasn't listed it doesn't mean it doesn't qualify; but if we specifically say this doesn't qualify, it doesn't.

Mr. Peterson: Is this common wording in other acts that allows you, if you don't like one particular chap or you figure he is violating it, to name him?

Hon. F. S. Miller: Yes. It is called a basket clause.

Mr. T. P. Reid: From a basket case?

Hon. F. S. Miller: It is the kind of phraseology that my lawyers tell me has been acceptable to cover eventualities that may arise and may require a regulation to cover them. I think the honourable member for Nickel Belt named the very kind of thing that would be required.

Mr. Laughren: How do we know that is going to happen?

Mr. Peterson: Would that be a specifically drawn regulation? Could you give me an example? I don't think it does cover the kind of thing my friend from Nickel Belt was asking about.

Hon. F. S. Miller: I am saying a regulation would be written to prescribe that. In other words, we can write a regulation saying a small company can't—

Mr. Laughren: I want it to say that the member for Nickel Belt will decide which corporations are eligible.

Hon. F. S. Miller: That is certainly more specific.

Mr. Peterson: I am going to try it one more time, and I will read it:

"An investment shall be an eligible investment if the small business is not of a type prescribed by regulation."

So that means that under this section you can draw up regulations to say who will not be eligible.

Hon. F. S. Miller: May I say to the honourable member, since I am not a lawyer either I have had trouble, as he is having trouble, reading the English and getting the interpretation from it that my lawyers assure me is there.

Mr. Martel: You are bringing it in and you are not sure?

Hon. F. S. Miller: All right. Look, my friend, I know the limitations of some of my abilities—some of my abilities, or some of my limitations.

Mr. T. P. Reid: Didn't you talk to that corporation lawyer from Sudbury?

Hon. F. S. Miller: I want only to say this: in the next few minutes I will have three of them consult over here. If, in fact, what they have been telling me is not so, I guarantee you that we will come back to it before we pass this bill tonight. Is that fair enough?

Mr. Peterson: Can we set that one aside?

Hon. F. S. Miller: Yes, I will be glad to set it aside, or come back to it, as we see fit. We have the most competent of all the legal people in Ontario sitting over there, so I am sure he will guide us.

Mr. Deputy Chairman: Well, we will set aside the whole section and come back to it.

On section 10:

Mr. Peterson: This is one I have got to come back to.

"A small business development corporation shall maintain its assets in eligible investments"—well, we have already established that—"liquid reserves"—okay—"equity shares that were eligible investments at the time they were acquired by such small business development corporation"—fair enough—"debt obligations of any small business that is an eligible investment, or such other form as may be prescribed."

[9:15]

This allows an SBDC to invest up to 30 per cent—i.e., the non-70 per cent part—in the debt obligation of a small company. So, in fact, it allows them to go in with a package of debt and equity, or it allows them to invest—Why do you need that? Why is that clause important in there? Why not just say "debt obligations of any business?" That could be an SBDC or it could invest in the debt of any other company, could it not? Couldn't a small business development corporation buy Hydro bonds?

Hon. F. S. Miller: Not the way that reads. I don't think that would be a liquid reserve by my definition.

Mr. Peterson: As a liquid reserve it would qualify.

Hon. F. S. Miller: It could be prescribed, but it is not as such.

Mr. Peterson: What do "liquid reserves" mean?

Hon. F. S. Miller: We would have to go to an accountant to get a proper definition, but I would have thought that bonds did not qualify.

Mr. Peterson: I think they do.

Hon. F. S. Miller: Bank accounts, certificates of deposit, those things which can be immediately made into money.

Mr. Peterson: So can stock of Bell Telephone.

Hon. F. S. Miller: Bell Telephone stock cannot be put into cash at a predictable price.

Mr. Peterson: Is the Treasurer telling me that is the legal definition of "liquid reserves"?

Mr. Laughren: I would like to propose a toast to free enterprise. Look at those two pretending they are free enterprisers.

Mr. Peterson: What is the Treasurer suggesting the 30 per cent trust fund be invested in? Suppose they are in a hiatus period.

Hon. F. S. Miller: First of all, they may be simply keeping themselves partly liquid, waiting for another equity investment. Therefore, in that period of time they may wish to keep it in something like a bank certificate of deposit, which would by my definition qualify as a liquid reserve. Secondly, they may wish to do what the honourable member suggested in his speech under the second reading, that is, make a package mixed up of equity and debt instruments for a specific company. That is why clause (d) refers to debt obligations of companies that are eligible, rather than debt obligations of any company, such as the member mentioned in the case of Hydro or Bell Canada.

Mr. Peterson: I just want to make sure I agree with the Treasurer on this. I am addressing this to the lawyers on the bench. Are you telling me that trust fund cannot invest in a treasury bill for example? That is not liquid.

Hon. F. S. Miller: The trust fund could. The moneys in the trust fund are quite different from the moneys that have been released from the trust fund. That is the only difference. In the trust fund we have it in a form that we can get it in a hurry, whereas once the company has reached its 70 per cent equity level it is free to either invest the other 30 per cent in equity or to invest it in these forms of debt.

Mr. Peterson: But the Treasurer can see there is going to be a time lag. We have two years to invest up to 70 per cent. I think the realities of the marketplace are that in some instances at least somebody will form one of these things, collect all the money and be sitting there looking around for investments. What are they going to do with that money sitting in the pot while they are waiting for the right deal?

Hon. F. S. Miller: Again, it can earn interest while it is waiting. The interest accrues to the small business development corporation; it does not accrue to anybody else, it does not accrue to the government.

Mr. Peterson: But they cannot buy Bell Telephone stock.

Hon. F. S. Miller: No.

Mr. Laughren: Is the Treasurer not worried that he is undermining the private enterprise system?

Hon. F. S. Miller: Yes.

Mr. Laughren: I really worry about that. I wonder how the Treasurer can sit there one day talking about the virtues of the free enterprise system while the next day he gives a 30 per cent write-off to people who invest in it.

Hon. F. S. Miller: As the member for Nickel Belt knows, I am really a member of his party. He should not be exposing my real colours.

Mr. T. P. Reid: With some of the crazy people they've got in that party you could get in.

Mr. Laughren: We have often talked, in this party, about the need to stimulate the private sector. Here we are, socialists, and we have never had the audacity to come out and say that we will give 30 per cent right off the top and after that they can earn profits in whatever they invest in.

Mr. T. P. Reid: You sound like a free enterpriser.

Mr. Laughren: That really does my head in. But there he is, he sits there extolling the virtues of the free enterprise system and saying to the Canadian Federation of Independent Business: "Look, we believe in the free enterprise system. We believe that the private sector can exist with less government intervention. If only governments could get out of the free enterprise system, then the free enterprise system would function the way it is supposed to." Don't get me going. Rule me out of order, Mr. Chairman, before I get rhetorical.

Hon. F. S. Miller: I'm on your side. Just cool off.

May I just point out that the point raised by the member for London Centre was accepted by the legal staff and there will be an amendment to section 9(g) to clean up the wording so that you and I can understand it. I can table that now and go back to that section, since we deferred it a few moments ago, with my other amendment, if you wish.

Mr. Chairman: We are on section 10 at the moment.

Mr. Makarchuk: On section 10(1)(d), the reference to, "debt obligations of any small business"; I may be reading this wrong, but what is there to prevent me from lending the money to the small business development corporation and then borrowing it back from them? I have got my money and I've got my 30 per cent. This is the way it appears. It is as if private enterprise has run amok in a situation like this.

Hon. F. S. Miller: No. It says quite specifically, "debt obligations of any small business that is an eligible investment." Therefore you can't be lending it back to the original shareholders. They are covered by a whole bunch of clauses that discuss affiliates, associates, et cetera, to prevent that kind of thing.

Section 10 agreed to.

On section 9:

Mr. Chairman: Hon. F. S. Miller moves that section 9(1) (g) be struck out and the following substituted therefor: "(g) the investment is made in a small business that is not of a type prescribed by the regulations."

Mr. Laughren: You are going to have to explain the difference.

Mr. Lawlor: I hate to intervene at this very late stage of these proceedings, but why the hell isn't there a wider range? You are restricting it to manufacturing and prescribed tourist activities, et cetera. The people who came into my law office in the old days when I had such a thing and who are still in the constituency are in service industries of divers types. I don't think you should place the weight there by any means, economically speaking what we need is manufacturing; nevertheless, the growth of jobs and the future expansion of the economy to a very considerable degree rely upon that.

In the prescribed sphere at least, who does the minister not designate and elaborate? Not every hotdog stand in the province can have an investment potential here, nevertheless many people in quasi-manufacturing—the division between the service and the manufacturing is a very amorphous thing, I think. Sometimes in the little plant out there, they

call it a service industry, they are providing what are fundamentally services, yet there's an element of manufacturing context. They're making new products, whether they're napkins or whatever; sometimes they're quite inventive. That's where the gravamen of much of the future development of this province lies, yet in this legislation as I read it and as I say, I'm one of the latter-day saints in the matter—

Mr. T. P. Reid: Later or latter?

Mr. Lawlor:—having hardly even read the legislation. Nevertheless, I would like an answer on that in order to satisfy myself that the legislation has even a modicum of common sense.

Hon. F. S. Miller: Mr. Chairman, the very fact I moved it indicates it has a modicum of common sense. You would admit probably that's all it indicates.

The truth is, this was discussed at some length in the discussions as to what kinds of businesses should be encouraged. We could swing, and we did, all the way from why not let them invest in any small business anywhere, be it a grocery store, be it a hardware store, be it a marina—which I think would be covered under tourist activities in my definition—be it a plumber's business, those kinds of things. In fact, we believe it is quite easy, through subclause (iv) of clause (b), to widen the terms of reference for the kinds of businesses that will become eligible investments as experience dictates.

We set our first priorities as these types of investments, not necessarily ruling out the willingness to go to others if there was not enough demand for investments in these kinds or if we concluded we should be stimulating others. But with relatively scarce funds, one might say, one would like to see them go into these categories first of all, since we believe there are more real creators of wealth within the economy.

We leave the option open under that one section to expand as experience allows us to make those choices.

Motion agreed to.

Mr. Chairman: There was a previous motion amending section 9(1)(c).

Motion agreed to.

Section 9, as amended, agreed to.

Section 11 agreed to.

On section 12:

Hon. F. S. Miller: I have an amendment to section 12, to get rid of some redundant wording.

Mr. Ruston: The bill is all redundant.

Mr. Chairman: Hon. F. S. Miller moves that clause (a) of section 12(3) of the bill be amended by striking out at the end thereof: "and none of the shareholders are associates or affiliated corporations."

Mr. Peterson: I'd like your interpretation of section 12(2). In your opinion, does this mean that no business can invest in someone with whom they have either a buying or selling relationship?

[9:30]

Hon. F. S. Miller: That section really prevents sweetheart deals, where you could become the only shareholder of an SBDC. You can invest in 49 per cent of a little company and say: "Okay, my condition for investing is you buy everything you need of a certain product from me because I own or have an interest in such and such a company." What we're saying, in that section, as I understand it, is that unless the company is widely held, i.e., you own 10 per cent or less you may not do business with a company in which an SBDC of which you're a shareholder owns shares.

Mr. Peterson: That's my understanding too, but someone with whom I've chatted and who is very keen on this whole thing and thought it was wonderful said, "Gee, I already know companies that want to set up SBDCs to invest in their suppliers." I hasten to point out to them, because they will probably read Hansard, that's clearly prevented in section 12(2) as I read it. I just want a confirmation from the minister.

Hon. F. S. Miller: I can see it being a genuine way of milking a relationship. Yes, I would say that if there were strenuous objections I'd be willing to delete it, but I think the protection is better in than out for the time being.

Mr. Lawlor: What you're taking out, as far as you're concerned, is a redundant clause. In 12(1)(a), you've already excluded a major shareholder, which you're defining in this particular context, and then, you go on to say, "or an affiliated corporation or an associate."

There are good reasons for conflicts of interest and for playing with the moneys that are available from the government by way of collusive practices and what not. When you come to define major shareholders you're saying the ground is already covered in the previous clause and therefore it is not necessary. Is that correct?

Hon. F. S. Miller: I think you're referring to a different section, apart from my amendment. The amendment I just proposed does

refer back to words already contained in 12(1)(a). It talks about 12(3)(a) and not 12(2).

Mr. Lawlor: That's what I say, you're defining major shareholders and you don't feel that the extended definition that you've given to that is necessary in the 12(3)(a) context, because the ground has already been covered. Is that correct?

Hon. F. S. Miller: Yes.

Mr. Makarchuk: On that same section: On the one hand I can see the concern and the need to prevent sweetheart deals because they're receiving public funds. However on the other hand, as the minister well knows a lot of business operations do not necessarily operate on the sweetheart deal but operate on the principle of "I'll scratch your back and you scratch mine. I'll buy from you and you'll buy from me, and we'll all exchange a lot of things." That goes on all the time. If you've been out selling industrial supplies you really see the situation.

On the one hand I can see the concern, but on the other hand if I may take the other side—

Mr. Laughren: I don't think you need to.

Mr. Makarchuk: —in this case I could argue quite reasonably that to encourage or possibly channel some of this public funding into the small businessman or let the small businessman get some advantage that 10 per cent limitation might not be the best figure in the book. It's an absolutely safe figure, I would say.

Mr. Ruston: Conservatism, the NDP slogan.

Mr. Makarchuk: On the other hand, the minister knows and I know the reality out there is that there is a sweetheart deal going on all the time.

Mr. Bradley: Another form of socialism.

Motion agreed to.

Section 12, as amended, agreed to.

Sections 13 to 20, inclusive, agreed to.

On section 21:

Mr. Laughren: Have we gone all that way?

Hon. F. S. Miller: We did call the sections. I will gladly back up if there is something you wish to cover.

Mr. Laughren: I was just wondering about a point on section 17.

Mr. Chairman: Does the committee agree to go back to section 17?

Agreed.

On section 17:

Mr. Laughren: I am stretching the leniency of the chair here. I am sure, but I am wor-

ried about ensuring that all information pertaining to SBDCs is available to people who have a concern about them. In section 17 we are talking about the SBDCs filing with the minister, in the form that the minister prescribes, information that he wishes.

What I am concerned about is that the minister—the Ministry of Revenue, I believe, is the ministry maintaining the files on the SBDCs; I may be wrong but I think that is correct—I am concerned that there be some way for the individual investor out there to find out through the Ministry of Revenue just what is available through SBDCs, what SBDCs are investing in what kinds of small business, so that there is what the economist would call more information on the buyer of the service. I am worried about it becoming a closed shop kind of operation, if you will pardon the expression, within the investing community.

Hon. F. S. Miller: I would have to check the rules on private corporations, but I thought they had the right to refuse to divulge that kind of information as part of the rules, and that we weren't doing anything specific here except making sure that changes affecting the basic owner's investment portfolio were duly reported to the Minister of Revenue for purposes of making sure the requirements of this act are complied with. In other words, apart from that we are not giving them rights we don't normally give other private corporations.

Mr. Laughren: Talking about giving rights you don't normally give; you don't normally give this 30 per cent write-off on the part of the taxpayer out there either, so don't talk about this as though it is a normal corporation out there. The public at large has a 30 per cent interest in what you are doing here. I would think the Minister of Revenue perhaps could comment on what he intends to provide to the public at large in the form of information about the SBDCs because we all have a stake in them, and whether they are a success or a failure. There is a greater obligation in this case to make sure information is available to us when we want to find out about what SBDCs are investing and where they are investing, both for the taxpayer and for the investor.

Hon. F. S. Miller: I would say the information basically will be available in sum total, but not in the specifics.

In other words, you wouldn't have the right to know what the SBDC belonging to the member for London Centre and his 10 colleagues in the front row of the Liberal Party are investing in; or those that the member for

Nickel Belt invests in. But in sum total: first we would have, as Revenue Canada has, access to confidential information; the Minister of Revenue in Ontario will have confidential information to make sure the public interest is protected.

In terms of confidentiality, though, those investors have the right to keep those investments confidential, provided he is satisfied they have obeyed the law and the spirit of the law.

Mr. Laughren: I don't want to belabour it, Mr. Chairman, but would the two ministers over there agree that there is a major investment by the public, particularly if it is a successful venture? If the SBDCs do go over as well as the Treasurer thinks they will, there is a major investment on the part of the public in these, because of the 30 per cent either direct tax write-off, or tax write-down in the case of corporations. Therefore there should be more information available. Would they be prepared to table in this Legislature on an annual basis, a fully detailed report on the SBDCs and where they are, who they are, who the major investors in the SBDCs are and where they are putting their money?

Hon. F. S. Miller: I don't think I could agree to do that. I would provide whatever information would normally be available on a corporation. I can't promise to give more information; because I sense, in all honesty, your party traditionally has been one of the greatest protectors of individual privacy, whether it was OHIP or something else. I would suggest to the honourable member this falls into that kind of category. Certain things under the Income Tax Act have been private—

Mr. Laughren: There is a little difference, Frank.

Mr. Makarchuk: You are trying to pre-empt us by putting it that way.

Mr. Lawlor: We would like a little less privacy and more publicity, please.

What in blazes is the role of the Ontario Securities Commission? What does the Minister of Revenue know about disclosures in this area with respect to dividends and the purchase, surrender, redemption or conversion? Conversions of equity stock can be quite intricate pieces of business converting to various types of redeemable portfolios.

The securities commission is peculiarly clued in as to that whole realm of dividends and disposition and sale of stock. I would have thought they would have been brought into this picture as a better vehicle than the Ministry of Revenue. Every day of the week they are handling this type of conversion;

they play with equity stock and a wide range of other stuff. They know it intimately, in a way the Ministry of Revenue knows nothing about or is not particularly sensitive to. It strikes me as strange the OSC is not given the pivotal role in this section.

Hon. F. S. Miller: Far be it from me to tell the honourable member, because I can't spell out what the OSC does or does not control, but it seems to me the great bulk of its dealings are related to stocks of public companies dealing in the marketplace, protecting investors who may not have the ability to know some of the shenanigans that can go on in the field of financing public companies for sale. This section, if one notices, has a key word in it, that the minister shall be advised at least 21 days "prior" to these changes occurring. This is because of the requirements that the portfolio on average meet the investment ratios prescribed in the act.

Mr. Lawlor: The whole problem of timely disclosure is involved here. Setting up an arbitrary time limitation, et cetera, on the 21-day basis involves this very kind of thing, and these are at least quasi public companies. This is not the same as Eaton's running its own show in the disposition of its internal equity position and the range of types of shares—preferred, common, convertible, whatever it may deal with. Here there is given special credence and special privileges, and a certain recompense by investing in it.

I put it to the minister the ministry involved is not particularly competent in this area and you've got a vehicle in place which can make almost instantaneous decisions with respect to the very manipulations involved in this range of powers and dispositions outlined in the act. Why in blazes isn't the securities commission involved in the thing as the approving or disapproving body rather than the ministry that has been designated under section 1 of the act?

Hon. F. S. Miller: I'm not a match for the honourable member. I can only say we have consulted with the OSC in the drafting of this act, or so I am told, and they are satisfied with it.

Mr. Lawlor: The Minister of Revenue (Mr. Maeck) might enter into the debate to give us good assurances. Don't pre-empt the poor fellow. The Minister of Revenue can give us assurances that he had adequate staff, thoroughly clued in to the range of security matters. I thought the government relied fundamentally upon the securities commission, who are a fairly shrewd bunch. Have you got people who are able to handle the disposition of these matters with respect to

redemption procedures and with respect to various forms of stock?

[9:45]

Hon. Mr. Maeck: At the risk of being called out of order by the chairman, not being the man who's bringing this bill through, I would advise the member for Lakeshore that I am not sure whether we have the expertise or not, but we would obviously have to obtain it if we don't have it in order to carry out the intentions of the act.

Mr. Lawlor: What in blazes is the point of doing that if it is already in place? If the securities commission, which causes a great deal of public expenditure and does on occasion blunder, as with Atlantic Acceptance Corporation and numerous other enterprises, why don't you, since it is in place, give the proper body the proper disposition of affairs? I am just making it up as I go along.

Hon. F. S. Miller: I was afraid of that.

Mr. T. P. Reid: Anyone who has read your poems would believe that

Mr. Chairman: Order.

Hon. Mr. Maeck: When this act is in place and we start to move into the administration of it, it would be much more simple, in my estimation at least, to deal with it in one ministry rather than delaying all of the things that have to take place by delegating part of the work to another ministry or another group. It is much more simple to handle it within the one ministry; I think that is the intent of the whole bill.

There are other sections of this bill, I suppose, that could have been designated to another ministry or another branch of a ministry, perhaps better so than the Ministry of Revenue, but if we get into that situation, where we are asking one branch of another ministry to do one thing and another one to do something else, then we will have to compile the information. We would like to see this thing flow as smoothly as possible and I believe that is the only way it can be done.

Mr. Lawlor: For such a modest human being, you still have Parkinson's law on the brain; you know, the expansion of your little empire. You are going to have to bring in a whole new battery of experts. You, on your own admission, have said we will in order to supervise and estimate and be able to make a disposition of the very matter in question.

Mr. T. P. Reid: Being optimistic, they will not have that many takers.

Mr. Lawlor: Well, so be it, but don't pretend to us you are particularly assiduous

with respect to cutting back the peculiar powers of your particular ministry. You are expanding, not contracting. You have to. Part of my philosophy is that the contemporary world does force certain terrifying options upon us. Doesn't it?

Mr. Laughren: I am voting NDP next time.

Mr. Chairman: Section 17 was carried previously, as were sections 18, 19 and 20.

On section 21:

Mr. Chairman: Hon. F. S. Miller moves that section 21(2) (b) of the bill be struck out and the following substituted therefor:

(b) The applicant is ordinarily resident in Ontario.

Hon. F. S. Miller: That simply will clarify that and the language in that clause is put in conformity with that used in other sections.

Mr. Lawlor: What the hell does that mean? Do you mean not in Mexico? You know what they do in Mexico; they say not ordinarily resident in Mexico, which means they are ordinarily resident in Ontario. By that way, all legislation with respect to foreign disposition of stock ownership and the advantages with taxes that are accrued go to certain New York corporations.

Mr. Makarchuk: I am concerned about this. What assurance does the minister have that, again, it is really residents of Ontario who are getting the grants and the money is not really channelled somewhere else? The people can be the front people and living or ordinarily resident in Ontario, whereas the money is going somewhere else, down to the Bahamas or Luxembourg or Switzerland.

Hon. F. S. Miller: There are income tax phraseologies that are traditionally used. One has to define where one's residency is. The term "ordinarily resident in" means this is their home base; it is defined as meaning 183 days or more a year in Ontario. That is the kind of thing one runs into with people who go to Florida for the winter; they are Ontario residents who may be out of the province for some extended period of time in a second home, but their home base is here for tax purposes, for citizenship, for a number of reasons.

Mr. Makarchuk: I am sure the Treasurer is aware that every year the Department of National Revenue indicates that between \$3 billion and \$4 billion of extra Canadian dollars is floating outside the borders of Canada that ordinarily should not have been there. Obviously that money gets out there, and what I am concerned about is that the Treasurer is setting up another framework for the channelling of what are essentially

not private funds but public funds into possibly some foreign jurisdiction outside of the use of the people of Ontario.

Hon. F. S. Miller: Again, I assure the honourable member we have all those protections in this act.

Motion agreed to.

Section 21, as amended, agreed to.

On section 22:

Mr. Chairman: Hon. F. S. Miller moves that section 22(1) of the bill be amended by inserting after "under" in the fifth line "Part II of".

Hon. F. S. Miller: Mr. Chairman, the explanation is in our briefing papers. That amendment makes it clear that the tax credit available to corporate investors is applicable against corporations income tax, not other taxes.

Motion agreed to.

Section 22, as amended, agreed to.

On section 23:

Mr. Chairman: Hon. F. S. Miller moves that section 23 of the bill be amended by inserting after "under" in the fourth line "Part II of".

Motion agreed to.

Section 23, as amended, agreed to.

On section 24:

Mr. Peterson: Mr. Chairman, this is the last section I have any remarks on; so this will be my final shot. I think it is important that people who are investing in these things understand section 24 and realize that the government is going to get them in the end. This is, as we established before, a loan, by the government of 30 per cent tax-free for a period of time and at the point at which the SBDC wishes to cash in its chips, they have to pay it back to the government. That is one of the reasons that I believe, if people truly understand it, it is not going to make it all that attractive to the investor.

Unfortunately, I missed the opportunity to speak on section 17, but I will just say peripherally at this time that there is so much ministerial discretion in that section—and, coming down to section 24—there are so many encumbrances on the free flow of capital seeking out a genuine investment opportunity, as there is in section 17—that it really bothers me. There is so much checking out 21 days ahead of time, deals will come and deals will pass, and we're going to have all these conditional agreements by SBDC—the Treasurer has made it frightfully complicated.

As I said earlier, it is my belief there will be lots of inquiries but, when the legislation is fully explained to those inquiring and they realize what they have to go through, it is going to become a far less attractive kind of vehicle than the Treasurer has visualized.

All of my reservations have been because it has become so complicated and so terribly restrictive. Now, when we come down to the last and final encumbrance, we find it really only is a loan from the government anyway. I understand the philosophy: They want to keep the money in circulation, presumably creating jobs, creating wealth and all that kind of thing. There are going to be winners and losers in this kind of proposition. But, as soon as they want to cash in their chips, they have to pay back to the government.

In those circumstances perhaps the minister should consider a time limit—10 years, five years, 15 years, whatever it is. This thing presumably runs in perpetuity. It could happen 50 years from now. Somebody winds one of these things up and it is going to be lost in grandmother's will, or hidden somewhere in the attic. They find it and say, "Oh my God, I've got to go back and pay the Ontario government."

Hon. F. S. Miller: Not them, the corporation pays it.

Mr. Peterson: Yes, the corporation does, but on the winding up there will be no net difference, if someone is a participant in a corporation. A lot of these things are small and will be handled by individuals. It is going to be the equivalent of that individual having his own private investment vehicle and paying to the government. It has made it fairly complicated, I think, and is one more impediment to an otherwise very nice idea.

I don't have any idea how to clean it up, or how to amend this section. I am conscientiously avoiding trying to amend this bill tonight, because I don't think it can be amended to work very much better than it is going to, given the philosophy inherent therein. I don't think any number of amendments we could make tonight would improve it that much, so we decided to adopt the government's point of view. We wish them well and hope they are right. If they are, then God bless them; it is probably a good thing.

I just want to put that reservation on the table about this particular section 24, understanding that is only a loan, not a grant.

Mr. Makarchuk: On section 24(3) where there is concern on the winding-up of the operation that the SBDC is wound down and the minister will try to get his 30 per cent

back. What concerns me, naturally, is the fact that the money may not be there. It seems to me that it is not very difficult, if they are keeping their money in liquid assets in banks, in notes, et cetera, that they could milk the thing completely dry, walk off with their investment plus 30 per cent of your money, then when the government tries to go after them there really isn't very much it can do. It can't really collect something that doesn't exist.

There is a penalty section which provides for a fine of \$2,000 for an individual and \$20,000 for a corporation. When you are dealing in sums from \$250,000 to \$5 million, those amounts are not really large, even at \$20,000. That's a licence to steal, in effect.

Perhaps the minister might accept a suggestion to include jail sentences up to two years to individuals or corporations. The Minister of Consumer and Commercial Relations, I see, is thinking of all sorts of ways it could be used for community purposes.

Mr. Martel: We'll let Gord Walker look after it.

Mr. Makarchuk: Anyway, it might provide, shall we say, some type of restrictive effect on people who may be just interested in trying to milk funds, make a quick buck and get away with it? The idea of a jail sentence might be a deterrent. Another thing is that it would probably improve the cross-section of the jail population, which would also improve the society in which we live.

I see that the Minister of Consumer and Commercial Relations agrees.

Mr. Lawlor: If the minister is not going to reply to those comments, I have a question or two. Where in blazes does this fit into the federal bankruptcy scheme? I am looking at section 24(3), on page 16:

"Where the registration of a small business development corporation is revoked or where the corporation proposes to wind up or dissolve . . ." Winding up is part of the bankruptcy procedure. Dissolution is forced upon them. The government wants its 30 per cent back. Does the minister have the weirdest, wildest or most esoteric notion of where the government stands in the pyramid? Is it a preferred claim, or is that spelled out? Or is it with the common claimants to the winding up of the particular corporation?

Have you got legal advice or any other advice as to where you stand in the pyramid? As you know, there are 60 people who have various, divers, conflicting claims, and everybody thinks they're number one in the pyramid. Do you think so?

Hon. F. S. Miller: I don't know at what point I am in the pyramid, Mr. Chairman. I would say we have set forth in some of the sections the member may not have been present for the techniques by which permission must be obtained. When we discussed them the member for London Centre said we were making it too difficult. We're now hearing we're not making it difficult enough, because assets cannot be transferred around, decisions can't be taken without giving 21 days' prior notice to the Minister of Revenue.

I suspect there'll be chances to milk, chances to convert, chances to do anything except legitimately go broke, which will happen with lots of business. If they legitimately go broke, we don't get our money.

Mr. Deputy Chairman: Any other questions in connection with section 24?

Mr. Lawlor: What a seraphic human being you are.

Hon. F. S. Miller: I don't know what that is.

Mr. Lawlor: A will-o'-the-wisp.

Mr. Deputy Chairman: That's a comment, not a question.

Section 24 agreed to.

Mr. Deputy Chairman: Is there any other section of the bill that any member wishes to discuss?

Bill 49, as amended, reported.

BUSINESS CORPORATIONS ACT

Consideration of Bill 34, An Act to amend the Business Corporations Act.

Hon. Mr. Drea: Mr. Speaker, I understand that with the score two to one there might be a delay before the critic comes in here. During that time, I would like to draw to the attention of the House that I will be submitting three amendments to this bill. Two of them are entirely technical; the third one is necessitated by a very recent court case in Alberta.

The first amendment I will move is—

Mr. Martel: Could you wait about one moment?

Hon. Mr. Drea: I'm just going through it. I'll come back again. Okay?

For the information of the House, the first amendment will be that section 7(1) (b) (ii) of the act, as set out in section 5 of the bill, be amended by inserting "known" after "the" in the first line. The description in subclause (i) includes the word "known" and this just brings it into conformity.

The amendment to section 22 of the bill is introduced because of a court case in

Alberta. We want section 266(a) of the act, as set out in section 22 of the bill, to be amended by adding the following subsection: "(2) Articles filed by the minister under the act shall have effect from the date of the certificate endorsed thereon, notwithstanding that any action required to be taken by the minister under this act with respect to the endorsement of certificate and filing by him is taken at a late date."

This involves an Alberta court case which is CPW Valves Instrument Limited versus Scott, 5 Alberta Law Report, 2, 1978, 271.

Mr. T. P. Reid: Very important.

Hon. Mr. Drea: Interpreting the Alberta Companies Act has caused some concern about the certainty as to the date of incorporation of a company under Ontario law. It is necessary in the commercial world that a businessman be able to rely upon the date of incorporation without fear of a court looking behind him. This amendment is intended to ensure that notwithstanding this court decision in Alberta no one will attempt to have the courts here find that a date in the certificate of incorporation is not in law the date of incorporation.

Finally, section 271(j) of the act as set out in section 25 of the bill is to be amended by adding at the end thereof, "permitting punctuation marks and other marks referred to in subsection 3 of section 8."

The reason for that is just to bring the regulatory authority or the authority to make regulations, which is that section, in conformity with the way the act is set out in an earlier section.

Finally, section 271 is to be amended by adding thereto the following clause: "(1) prescribing the matters that the minister shall take into consideration in determining whether a name is contrary to section 7."

Now that we have attendance here, perhaps we could revert back to clause by clause.

Mr. Deputy Chairman: Mr. Minister, just before you do that, may I have a list of the sections in the amendment?

Hon. Mr. Drea: I'll give you a complete set, Mr. Chairman.

Mr. Deputy Chairman: All right. The first section you have an amendment to is section 5. Have the opposition got copies of these amendments?

Hon. Mr. Drea: Yes; we gave them to the House leaders.

Mr. Deputy Chairman: Oh all right, it's just the chair; and we now have them.

Are there any questions in connection with Bill 34 before section 5?

The member for Hamilton Centre.

Mr. M. N. Davison: I have a question, Mr. Chairman, concerning section 2 which deletes subsection 5 of section 4 of the act.

Section 1 agreed to.

On section 2:

Mr. M. N. Davison: It was a very brief question of the minister. Because that deletes section 4 (5), which is one of the clauses or sections which requires the affidavit, but is not in the same group of sections from which we're removing the affidavit requirement, was it felt by the ministry staff there was no need for the affidavit with regard to whether or not the person was a natural person or over the age of 18, as opposed to the other kinds of affidavits we're removing?

Hon. Mr. Drea: Yes.

Mr. M. N. Davison: Very concise.

Section 2 agreed to.

Sections 3 and 4 agreed to.

On section 5:

Mr. Deputy Chairman: Hon. Mr. Drea moves that section 7(1)(b)(ii) of the act, as set out in section 5 of the bill, be amended by inserting, after "the" in the first line, "known."

Hon. Mr. Drea: The reason for that, as you will see, is that in subclause (i) it reads: "The name of a known body corporate." We want to make it in subclause (ii) "known" as well to keep it consistent between the two subclauses.

Mr. T. P. Reid: I've got a lot of questions about that.

Mr. Deputy Chairman: I don't think the minister could answer them.

Mr. T. P. Reid: They're good questions.

Mr. Deputy Chairman: Does the member for Hamilton Centre have any questions regarding the amendment?

Mr. M. N. Davison: I had no questions until I heard the explanation. I'm probably misreading the amendment, but in (i), the phrase is, or the way it will read is, "the name of a known body corporate," and in (ii) "known name."

Hon. Mr. Drea: In (ii) "known name"; same thing. It just brings it into conformity.

Mr. M. N. Davison: I'm not sure it's the same thing but I support your amendment.

Mr. Deputy Chairman: Does the member for Lakeshore have a question regarding this section?

Mr. Lawlor: I confess I have read this for the first time at this moment.

You say it's a question of the names and designations of corporations and the policy

of your ministry with respect to accepting names as they come in.

"The name of a known body corporate, trust, association, partnership, sole proprietorship or individual whether in existence or not." How can it be known whether—I find there's a little ambiguity in the phrasing that's all. If it isn't in existence, what do you mean by "known"?

Hon. Mr. Drea: Reserved, Mr. Chairman. Maybe someone who has reserved the name; they can reserve for a certain period of time, pending the actual documents being filed.

Mr. Lawlor: That's as far as it goes?

Hon. Mr. Drea: Yes.

Motion agreed to.

Mr. M. N. Davison: Mr. Chairman, as I read the essence of section 5, it is going to give regulatory power to the minister, rather than a clear statement by way of stature, as to what words and names are okay, as it were. I take it part of the reason for that is to provide some sort of flexibility so that he is not wandering back into the Legislature every time some new situation crops up.

If the minister will look at section 8(1) (b), (c) and (d) of the current act, clause (b) talks about a name not being able to imply a connection with the crown or the federal or provincial governments, and clause (c) involves political natures and parties—

Hon. Mr. Drea: If I could answer the member, the final amendment deals with that.

Mr. Lawlor: What on earth is the minister doing sitting over there? I object.

Hon. Mr. Drea: Mr. Chairman, I could bring a table down in front for my advisers, but I thought I would save time, with the consent of the House, by being here; it might speed things up.

Mr. Lawlor: Oh, I see. Your left ear is exposed. Okay.

Hon. Mr. Drea: Under the present act, the onus is on us for making sure the name is not a name that should not be used. This is called the subjective test. The difficulty is that now the law firm, or whoever is doing it, is totally responsible. We want to put into the statute the authority to put in a regulation that will outline a list of prohibited names, such as "royal," et cetera; and that is in the final amendment.

Mr. M. N. Davison: I understand what the minister is doing; he is going to be using the new section 271(g) for that purpose, which gives him the power by regulation to prohibit the use of any words, expressions, et cetera,

in the corporate name, and I assume he will draw up a list in the regulation.

My concern is this: The three specific ones I pointed out, section 8(1) (b), (c) and (d), make it unlawful to have a name that may imply a connection with the government, that has a political nature or political element in it and, as in clause (d), that uses the word "co-operative," for obvious reasons. Those are in the statute now; the Legislature has decided that. I assume the minister is going to build that into his regulation.

Hon. Mr. Drea: In the final amendment, yes. If my friend will read the final amendment, it says: "Prescribing the matters that the minister shall take into consideration in determining whether a name is contrary to section 7." That will be in the act, and then the regulatory part will spell out all of the things that are now the subjective test by law firms which are not in the act.

Mr. M. N. Davison: My question very simply is, will those specific three areas be in the regulations?

Hon. Mr. Drea: Yes.

Mr. M. N. Davison: And the minister is making that commitment?

Hon. Mr. Drea: Yes, and more.

Section 5, as amended, agreed to.

On section 6:

Mr. M. N. Davison: On section 6, Mr. Chairman, I have two brief questions.

Regarding the change to sections 8(1) and (2) of the act, when I read section 8(1) against section 8(2), I am wondering, when a company is known by a name in another language, does the word "Limited," "Incorporated" or "Corporation" have to appear in English after the foreign-language name, or will they be able to translate? As I read it, they cannot translate. Am I wrong?

Hon. Mr. Drea: In English.

Mr. M. N. Davison: What is the rationale for that?

[10:15]

Hon. Mr. Drea: I would think the rationale would be to make it abundantly clear in English that this is a limited liability or an incorporated company. The rationale—notwithstanding the foreign language, whether it might be SA or some of the other things that are used—is that there would be a clear part of the title in English that would show the exact state of the company—that it is a corporate body.

Mr. M. N. Davison: I'm not sure that's a terribly good reason, but I'm not going to move an amendment to it.

Mr. Lawlor: I am. Have you seen the French-Canadian and French designations for limited corporations as to the way in which they spell it? The minister gives accreditation to bilingualism in this country and in this Legislature, and he doesn't extend his designation far enough to cover what are peculiarly French Canadian, under their law. Why doesn't he give recognition to that?

Hon. Mr. Drea: We will. At the moment we are working on a great number of statutes, including those with which the honourable member is very familiar—the conveyancing of property and so forth—to conform to the bilingual policies of this government. But at this time, in the Business Corporations Act it is in English, and that's why we are putting this in for clarification. It's all very easy to say in a short form of a title everybody knows it's a corporation, but it may be a very long title. We want to make it very clear to people it is a corporation.

Mr. Lawlor: The minister is brighter and broader than that. He is cognizant of the French fact in this country, and of the inter-relationship between French-Canadian corporations and our own and even those from France itself. I'm sure he's seen the designations and the way in which they abbreviate the formality of their corporations. To give even glancing lip service to that might be a very wise move and a somewhat civilized one at this time in his history. Since he is changing his damn legislation anyhow, why doesn't he take cognizance of these things?

Hon. Mr. Drea: It is not in the present act. Really we are—

Mr. Lawlor: You're lucky the member for Ottawa East (Mr. Roy) isn't here.

Hon. Mr. Drea: In all fairness, I don't think the honourable member should point at me on the bilingual matter. I think my record as the Minister of Correctional Services, with bilingual services and so forth, stands for itself.

Mr. Lawlor: Keep up the record.

Hon. Mr. Drea: I also think that my record in this ministry is good, particularly when some of the legal forms and so forth which were once considered impossible are now being done. I'm pointing out to the honourable member rather succinctly that in the not-too-distant future—hopefully part of it will be done in the fall session—this Business Corporations Act will be entirely rewritten. At that time, which I think is the proper time, every step will be taken to ensure that the sections in it follow quite closely and indeed I would hope lead the way for the bilingual policies of this government.

Mr. Lawlor: All right, at least we've gone this far tonight. We've clued the minister in and we've placed a certain emphasis—not that he's not clued in but there's a whole range of things which on the face of the matter have not been put under proper surveillance. His staff is aware now, he is aware now and I would anticipate a change.

Mr. M. N. Davison: If I can ask the second half of my question on clause (a).

Mr. Deputy Chairman: I'm sorry, I thought the member for Lakeshore was kind of cutting you out there but you sat down so I let him do so.

Mr. M. N. Davison: I'd like to thank the minister for his commitment to provide some change there to recognize the linguistic realities in the province. The new section 8(2) is a dressed-up version of the old section 7 of the bill, with the specific addition of regulatory powers in regard to non-English names. That will create a new section 271 clause, as I recall, by way of regulation.

Can the minister give me an example of what concern he has within the ministry about words that may crop up or special considerations or provisions that may crop up, when we are dealing with languages other than English, that would make the minister want to bring forward some prohibition that he wouldn't have under all the other requirements of the legislation?

Hon. Mr. Drea: I will reply in just a moment.

Mr. M. N. Davison: I may not have put that terribly well. If a name is in English, there are numerous ways under the current act and the newly structured act in which you can prohibit somebody from using a certain name or phrase or word or whatever, in his corporate name. This gives you an additional power by regulation when the name is in a language other than English. I am just wondering, by way of example, why that is necessary.

Hon. Mr. Drea: I am instructed that it is because of obscenities.

Mr. M. N. Davison: That is what I thought you were implying.

Hon. Mr. Drea: Then why didn't you ask if that was it?

Mr. M. N. Davison: Is that not covered by all of the regulatory and other powers that you have?

Hon. Mr. Drea: No.

Mr. M. N. Davison: Simply because the obscenity is in a foreign language, does that mean that all of the other sections of the act

under which you could control it are non-operative?

Hon. Mr. Drea: It is the view that the use of a particular obscenity in a foreign language, where it is not readily recognizable, might lead us into difficulty if we didn't have this specific section in there. It should almost be a test as to what the reasonable public would interpret it as, rather than people with a specialized knowledge of the language. You might get a language, for instance, that is quite popular in the world, but has very few practitioners here and therefore that particular word might be slang or might be a lot of things.

Mr. M. N. Davison: What the minister is saying is that under this special set of regulatory powers he would only make regulations or orders that reflected one of his other reasons for being able to do such with an English name. Is that right?

Hon. Mr. Drea: Yes.

Mr. Lawlor: I would have thought that the term, the obscenity in question, with the word "limited" afterwards would have cut back on the possibilities.

I just want to be a bit eccentric for a moment. One of the things I dislike is the term "Inc." That is an Americanism of the most grotesque type and I find it insufferable. Did you feel you really had to bend to the winds of pressure? Up until the time of your ministry pretty well, that nefarious terminology, "Inc.," was excluded from the English lexicon, at least in your department, but now it has become widespread. The Americans call all their corporations "Inc." while we used to say "Limited" or "Ltd." I find "Inc." hangs rather more salaciously on the tongue. Does this bother you at all as the minister?

Hon. Mr. Drea: It bothers me. Unfortunately, by popular demand, many years ago it was incorporated in the previous act and it is now commonly accepted. If I had my druthers, it would be confined to "Limited," rather than "Inc.," which probably is an easier thing for the average person to understand. There is no question it is American. The decision was made many years ago. If you changed it now, it would be a profound inconvenience and a cost item to a great number of businesses.

Mr. T. P. Reid: And expensive.

Hon. Mr. Drea: Yes, very expensive.

Mr. Deputy Chairman: Shall section 8 now stand as part of the bill?

Mr. M. N. Davison: I assume it is section 6 we are being asked to carry. Is that not the case, Mr. Chairman?

Hon. Mr. Drea: Section 6.

Mr. M. N. Davison: The minister and I are agreed.

Mr. Deputy Chairman: All right, section 6, I am sorry. I thought we had made more progress than that.

Section 6 agreed to.

On section 7:

Mr. Lawlor: May I ask the minister: When he has his unincorporated associations in one branch, on the first or second floor of the ministry across the street—

Hon. Mr. Drea: Wellesley Street.

Mr. Lawlor: —and his corporation branch is hived off in another section, do they ever speak to one another?

Hon. Mr. Drea: Yes.

Mr. Lawlor: One can go in and register an unincorporated partnership, even if the partnership happens to consist of a single individual, and that name may already have been pre-empted by a limited or "inc." corporation. Is there a trading of information to prevent the registration of the unincorporated corporation in terms of an already incorporated one? My impression is that these things are not working together in the ministry.

Hon. Mr. Drea: Mr. Chairman, those two branches do speak to each other, but there is no authority under the act to refuse the incorporation under that name. If one is going to restrict the use, for incorporation purposes, of one person or a partnership to only names that weren't used by limited companies, then every partnership in the province would just be a six-numbered docket. Really, that is not fair in that type of incorporation, because the person usually wants a trade or a style name that will define the partnership, far more so than the limited liability corporation which can subsist for a while as a numbered company.

Mr. Lawlor: I could call myself, tomorrow morning, the Steel Company of Canada Unlimited and get registration through the ministry agency?

Mr. T. P. Reid: No; you misread the bill.

Hon. Mr. Drea: Yes, you're quite right; but it doesn't happen.

Mr. Lawlor: Tomorrow morning.

Section 7 agreed to.

On section 8:

Mr. M. N. Davison: Section 8 repeals the powers granted by the old section 11, subsections 1 and 2, which gave a person the capacity to reserve a name for a corporation

for a period of up to 90 days. Can the minister tell me why he is removing that section of the bill and people will no longer be able to reserve corporate names?

Hon. Mr. Drea: Because they will be using the name search. There will be a printout on what names are available. It can be done over there. We don't have the clearance on names any more.

Mr. M. N. Davison: It is not the clearance. It is the question of reserving the name.

Hon. Mr. Drea: We don't have the names any more. They are in all those ANS, the six systems. One gets a computer printout on the name one wants and once one gets that one has it. One presents it to us and it is automatically cleared from the other search houses.

Mr. M. N. Davison: Because of the change over to the new system, will it no longer be possible for people to reserve a corporate name for up to 90 days?

Hon. Mr. Drea: Yes, it will be automatic. One goes to the search house, gets the printout on the name one wants and right there the computer no longer gives it to anybody else. It will be automatic over there, not with us.

Mr. M. N. Davison: Will it be a permanent reservation on the name?

Hon. Mr. Drea: Until it is registered, within a reasonable period of time. Obvi-

ously the search house would be in some kind of a quandary if a person started picking up all kinds of printouts, removing names from the computer and never did anything with them. Secondly, one is paying a fee in advance. One is paying a fee to the search house to do it; if one is not serious about it, it would be a very expensive proposition.

Mr. M. N. Davison: As I understand it, it will be up to these five or six companies in the automatic search process to substitute something for the old 90-day reservation policy. I take it the minister will keep his eye on that to see exactly what does happen.

Hon. Mr. Drea: As I said this afternoon, the federal government is doing exactly the same thing.

Section 8 agreed to.

Sections 9 to 20, inclusive, agreed to.

On motion by Hon. F. S. Miller, the committee of the whole House reported one bill with amendments and progress on another bill.

THIRD READING

The following bill was given third reading on motion:

Bill 49, An Act respecting Small Business Development Corporations.

The House adjourned at 10:30 p.m.

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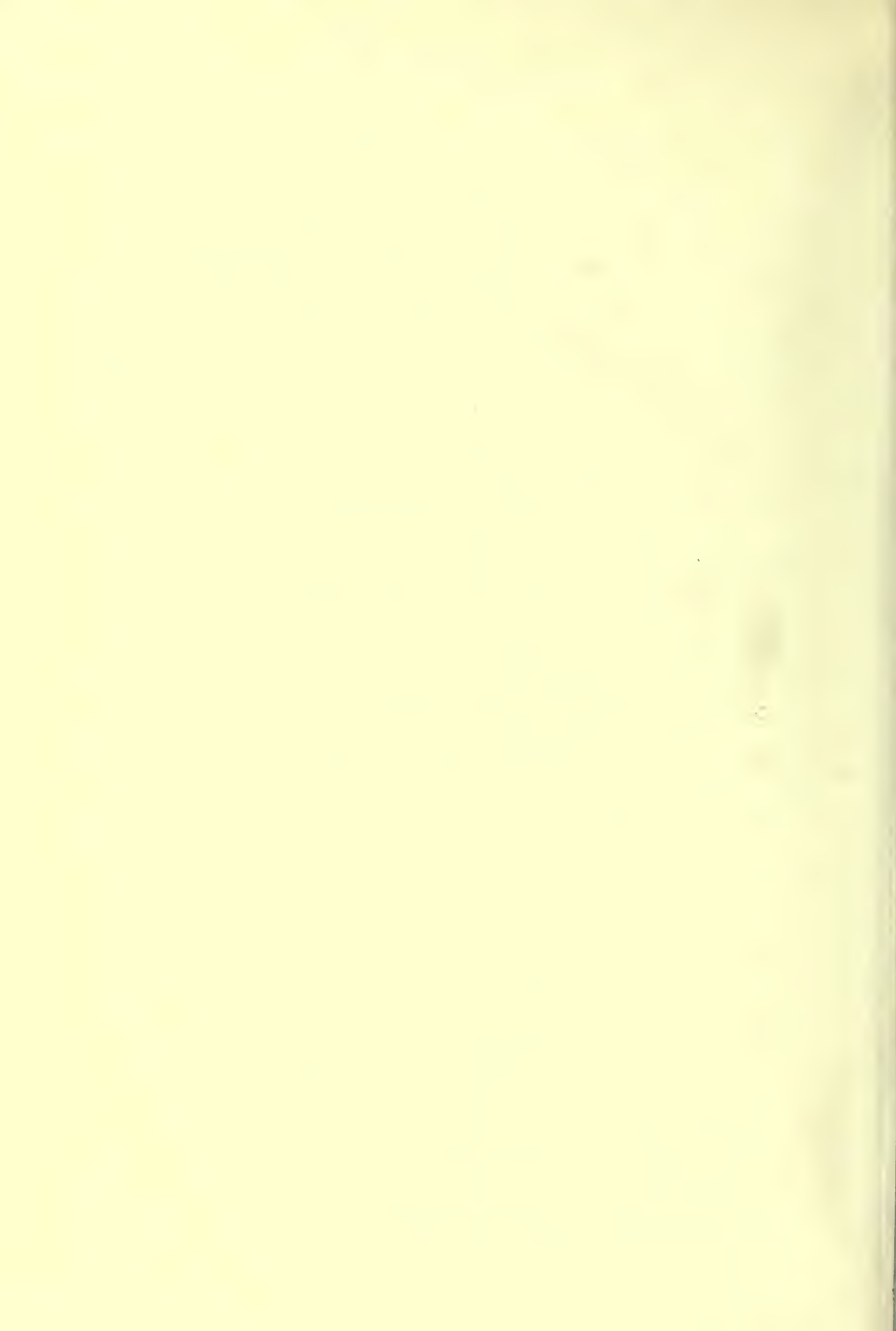
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No. 51

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Friday, May 18, 1979

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

FRIDAY, MAY 18, 1979

The House met at 10 a.m.

Prayers.

ORAL QUESTIONS

METRO LAND SALES

Mrs. Campbell: Mr. Speaker, my first question is to the Minister of Transportation and Communications.

Mr. Sweeney: Put on your crash helmet.

Mrs. Campbell: Is the minister aware of the implications of Metro's policy to dispose at market value land which has been declared surplus? Is he aware that this policy will result in the loss to the city of Toronto of some 14 parks and over a dozen parking lots which now serve local business areas all across the city?

Hon. Mr. Snow: Mr. Speaker, I am sorry, I think I missed a word or two of the honourable member's question. I am really not aware of Metro's plans for the disposal of land. I do not believe there has been any consultation or any involvement with my office. I am not sure whether or not there has been with the ministry. I am not sure just which land she is referring to.

Mrs. Campbell: Supplementary: The lands are those basically right across Bloor Street. Is the minister not aware that his ministry is aiding and abetting this policy in that he asked Metro in a letter to the Metro chairman to reimburse the province "for the full market value in the percentage at which the province had originally participated in the purchase"? Is he not aware that by making this request the minister is lending his support to the Metro Toronto policy, which will wipe out many city parkettes and car-parks?

Hon. Mr. Snow: I am certainly aware of that policy. It is the policy of the ministry and a very fair one. It is applied in all circumstances where land has been bought by municipalities and the purchase subsidized by my ministry. If land over and above that needed for a project is purchased for some reason and then disposed of, we would share in the disposal proceeds on the same percentage basis on which we contributed in the first place. That is our policy.

Mrs. Campbell: Supplementary: Does the minister believe that it is an appropriate policy that one level of government should make money out of another level of government, when the same taxpayers are involved?

Hon. Mr. Snow: I think it is only fair that the two or three levels, whichever it may be, of government that participated in the project should share equally in the proceeds if there are surplus lands to be disposed of. In many cases for transportation projects, it may be necessary to buy out a total property. Then after the project is completed if there are surplus lands, these are sold off and both levels of government share appropriately in the sale price, whether it is at a loss or a profit. That is our general policy.

With respect to the particular lands that the honourable member is referring to along the Bloor-Danforth subway, I don't recall any specific correspondence with Chairman Godfrey on those lands. There may have been general correspondence on other lands that Metro was planning to dispose of. The only knowledge I have of the lands the member is speaking of is the article I read in the press in the last few days.

Mr. McClellan: Supplementary: Since many of the parking facilities along the Bloor-Danforth route—the lands we are talking about that are used for parking facilities—are absolutely crucial to the survival of small business in the area, leaving aside the obvious value of the parkettes to the residential communities adjacent north and south, may I ask the minister to sit down and meet with city officials to review the implications of the ministry's current policy with a view to changing it?

Hon. Mr. Snow: I am always available to meet with officials. The member mentions city officials. I believe in this case it is a Metro situation. It would be appropriate for me to meet with Metro officials and perhaps with city officials as well.

Mr. McClellan: The city officials would tell you what the problems are.

Mrs. Campbell: Yes.

Hon. Mr. Snow: If the member would give me a moment please, I said I would be quite happy to meet with Metro officials. If

they wished to bring city officials along with them to discuss the particular problem, I would be quite willing to meet with them jointly.

Mr. McClellan: You have more faith in Metro than I do.

TRUCK DRIVING LICENCE

Mrs. Campbell: Mr. Speaker, my second question is to the Minister of Transportation and Communications. On May 8, in response to a question of my leader, in addressing himself to the problems relating to diabetics the minister made the statement that the classification had been changed but that those holding licences prior to the change would be grandfathered. Has he made any investigation at all to see whether this is being done?

Hon. Mr. Snow: I haven't investigated it. I know it was done at the time of the 12-month transitional period. When the classified driver's licence system came into force, in the case of those drivers who held a position as truck or bus drivers prior to that period—I believe the member is referring specifically to diabetics in this particular case, which is right in the legislation that was passed by this House.—

Hon. Mr. Davis: With Liberal support.

Hon. Mr. Snow: —who had a controlled diabetic condition prior to the implementation of the legislation who made application to upgrade their licence from a normal chauffeur's licence, for instance, to a class A or B or C licence, this would be done as part of the transitional process.

I believe what the member is getting at is if a person was a truck driver prior to that period of time and now is diagnosed as a new diabetic, then that provision does not apply.

Mrs. Campbell: Supplementary: Would the minister investigate the case of Norman Makela who lost his truck driving licence? He had been driving a truck with Imperial Oil for nearly 30 years and has had several safety awards for truck driving. Now he is forced to attend George Brown College to take a retraining course because he has not been permitted to renew his licence by reason of being diabetic. The diabetic condition prevailed during the 30 years he has been driving.

Hon. Mr. Snow: I will certainly investigate that particular case. There's something that just doesn't jibe in the information the honourable member has recited. If that particular man had been driving for 30 years and had had the diabetic condition during those 30

years, he should have been issued a class A licence in 1976.

I get situations—not this one which I don't believe I've heard of—brought to my attention where drivers have heart attacks or other health problems that cause their licences to be downgraded or in some cases removed totally. That is the purpose of the program and the purpose of the legislation. But I'll certainly look into that particular case.

Mr. G. I. Miller: Supplementary: What is the record on people with heart problems? Do they have a bad performance record that warrants this strong legislation being implemented? I've had many cases where they have been denied licences because of heart conditions, yet they've been driving for many years. I wonder what the record is on their performance.

Hon. Mr. Snow: I don't know if I can recite to the honourable member any particular record. We do know that a certain number of accidents, whether it be automobile or otherwise, are caused by people who have heart seizures while at the wheel of a car or a truck or whatever. I would doubt if any member of this House would suggest that a driver who has a record of a heart condition or is considered by the medical experts to be a possible candidate for a recurrence of a serious heart attack should be driving a large transport on the highway or driving a bus full of passengers or school children. I just don't think it is reasonable.

[10:15]

I have all the sympathy in the world for the people who suffer with that particular situation. But I know, to become personal, if I were in that situation of having a heart condition, which I don't have that I know of, I wouldn't want to be taking other people's lives in my hands by driving them in my car.

Mr. Deputy Speaker: The member for Ottawa Centre with his first question.

EQUAL PAY

Mr. Cassidy: Mr. Speaker, since Ontario women earn on average 53 per cent of what men earn, I have a question for the Premier. It rises out of the historic decision by the Legislature last night to adopt a bill by the member for Windsor-Sandwich (Mr. Bounsall) which provides for equal pay for work of equal value. Would the Premier give his assurance that when this bill has been reported back by the general government committee that the bill be called for third reading in the Legislature?

Hon. Mr. Davis: I certainly could remark that a lot of bills have gone to standing committee where members opposite have altered those bills very substantially so I don't know how I could give any such assurance.

Mr. J. Reed: While the Premier is at it he should bring back the Small Business Act.

Hon. Mr. Davis: The bill is going to standing committee and will be reported back. To speculate at this moment as to just what form it will take, if and when it is reported back, and what might happen to it then I think would be presumptuous on my part.

Mr. Swart: Why doesn't the Premier be honest and just say "no"?

Hon. Mr. Davis: So, Mr. Speaker, I can't give the leader of the New Democratic Party that assurance, partially because of the experience I've had in this House that I'm never sure just what form a bill will take when it is reported back.

Mr. Deputy Speaker: A supplementary; the member for Wentworth North.

Mr. Cunningham: I would like to ask the Premier, in view of the large number of bills that have come before the Legislature during the course of private members' hour, very high quality bills presented by members of all parties, is it the Premier's intention to make private members' hour more relevant?

Hon. Mr. Davis: The member, perhaps, has not been here as long as some of his colleagues—

Mr. Haggerty: The Premier has been here too long.

Hon. Mr. Davis: —a number of whom are missing this morning.

Mr. Bounsall: Look to your right.

Interjections.

Hon. Mr. Davis: I don't want to point out that the Leader of the Opposition (Mr. S. Smith) and many of the heavies on the front row of the Liberal benches are probably out campaigning for Progressive Conservative candidates today. I just want to make that observation.

Mr. Martel: Yes, Joe needs some help.

An hon. member: You haven't answered the question.

Interjection.

Hon. Mr. Davis: Oh, come on. Listen, your leader doesn't want Pierre to win.

Mr. Deputy Speaker: Order.

Mr. Cunningham: Answer the question.

Mr. Eakins: Tell us the history of the private member's bill.

Hon. Mr. Davis: Going back a number of years, the history of the private member's bill is very clear. The opportunities for introduction and debate in private members' bills compared to four or five years ago is extremely significant. There aren't many Legislatures in this country where there is an opportunity, as is available here, in terms of debate and discussion of private members' bills.

Mr. J. Reed: How many has the Premier's government blocked?

Hon. Mr. Davis: Let the opposition look at their federal friends in Ottawa. Not only don't they permit it, they have never passed a private member's bill with the exception of one, which, I think, had something to do with the beaver, if memory serves me correctly.

Mr. J. Reed: Are you going to bring back the Small Businesses Act?

Mr. Deputy Speaker: Order.

Hon. Mr. Davis: I would say to the member that I really think this House has an opportunity. I think there is a great opportunity for debates of relevant issues. I for one don't participate in them as a matter of policy, but I read them very carefully and I am always very interested in what the private members discuss during the private members' debates on Thursdays of each week.

Mr. Haggerty: It's called B and B: block and bury.

Mr. Deputy Speaker: Order.

Mr. Martel: The government has turned it into a farce.

Hon. Mr. Welch: How many vetoes have saved you from having to take a stand? Just ask that question of yourself.

Mr. Deputy Speaker: Order.

Hon. Mr. Davis: We have had people in your caucus say to us, "Please veto the bill."

Interjections.

Mr. Deputy Speaker: Order, order.

Mrs. Campbell: Produce the evidence.

Mr. Martell: Is that what you did to Mr. Taylor yesterday?

Hon. Mr. Welch: It was a private member's matter.

Mr. Deputy Speaker: Order. A supplementary from the member for Windsor-Sandwich.

Mr. Bounsall: Returning to the Premier's reply to the first question asked, since the principle of this bill will not be changed by committee, and a very simple statement is all that is required to implement the principles of this bill, can the Premier indicate whether he truly believes in the principle of

this bill? Would he give us a straight answer that the government will not block this bill when reported out from committee, because it cannot and will not ever be substantially changed by committee consideration? Is not the real reason for unwillingness of the government to proceed on this bill the interference of the rights of businessmen, including the right to pay employees less money, usually women, for work of equal value?

Hon. Mr. Davis: In spite of the fact the honourable member is really repeating many of the points he made yesterday in his contribution, my answer is still the same. I can't prejudge what the committee is going to do.

There is in a standing committee a certain bill which these members have been delaying for months. The tenants of this province are still waiting for finality of that bill. They may do the same thing on this one.

Mr. Cassidy: Does the Premier endorse the principle of equal pay for work of equal value in Ontario?

Hon. Mr. Davis: I have always endorsed the principle of equality in this province. This government is striving to have equality in all areas and we have done very well, far better than any jurisdiction I know.

Mrs. Campbell: Will the Premier of this province give to this Legislature the assurance that this bill will be ordered to committee and not just scrapped as the others have been?

Hon. Mr. Davis: I really thought the acting leader of the Liberal Party would be better informed.

Mrs. Campbell: I thought so too. I would love to be better informed on this subject.

Hon. Mr. Davis: My understanding is this House ordered it to standing committee yesterday. If her colleagues have a different impression or different information they might let me know. My information is that what the member for St. George has asked has in fact already happened. That was some hours ago. I know it takes a little while to be updated, but that is the impression I am under as to what happened yesterday.

I might also say to the member for St. George, we would like her co-operation on Bill 163 too on behalf of the tenants and others in the province so we can get this bill through.

PRICE INCREASES

Mr. Cassidy: A question for the Premier: In view of the fact the cost of living rose by 9.8 per cent last month and that this was the highest rate of increase in the cost of living since November 1975; and since it is

clear wage increases were not responsible, what does the government intend to do to protect consumers against the rising increases in the cost of living?

Hon. Mr. Davis: This government, unlike some, is concerned and has been concerned about inflation, whether it reflects itself in the cost of living or in any other fashion. We have, through our own policies, made a very sincere effort to deal with the whole question of inflation.

I listened to the member's financial critic and I listened to the proposals being presented by his party, and I can only say to the leader of the New Democrats, if he is concerned about this month's increase in the cost of living, he should calculate what his party would do to the people of this province. It is horrendous. It would be terrible and his people should understand that.

Mr. Martel: Joe Who has the biggest bite. Remember Joe Who's cut?

Hon. Mr. Davis: You would tax everybody more dough.

Mr. Cassidy: Supplementary: Since corporate profits went up by 58 per cent in the first quarter of this year on an increase of sales of only 18 per cent, is the government prepared to bring in a prices review commission that will roll back unjustified price increases in Ontario?

Hon. Mr. Davis: Mr. Speaker, the member for Halton-Burlington is giving the Liberal government of Canada total credit for the increase in corporate profits. I'd have to question that, but I won't this morning.

What was the question? Do we intend to roll back prices? I know the New Democratic leader loves to indulge in rhetoric, he loves to indulge in those things that are not practical and he loves to put up phoney issues. The fact of the matter is that he knows we do not have the constitutional power to roll back prices. I ask him very simply what is he going to do about rolling back the prices of imported foods? He knows and I know it can't be done. It's time he levelled with the people of this province and understood that these are the realities. He should be fair enough to present them that way to the public.

Mr. Warner: A corporate apology.

Mr. Swart: By way of supplementary, I would like to ask the Premier if he does not realize that Ontario does have constitutional power over retail prices. Many retail articles are produced in this province and he does have some control over them. Is he not aware that one of the five reasons given for

the surge in profits and the increase in prices is that suppliers have been able to charge higher prices because the dollar drop has cut import competition? Does he not realize that this means that a good part of the increase in profits is at the expense of the Canadian consumers because Canadian manufacturers here are arbitrarily raising Canadian prices to the United States level?

Mr. Deputy Speaker: Would the honourable member place the question?

Mr. Swart: It has nothing to do with government expenditures, even this government's excessive expenditures. If these are true, if these are facts—and they are—

Mr. Deputy Speaker: Order.

Mr. Swart: —will he take at least some ad hoc measures to control some of the excessive prices to consumers in this province?

Hon. Mr. Davis: With great respect to the honourable member, I know what constitutional rights we have and what we don't have. I also know that it is impossible for a single jurisdiction in this country to deal with the very complex issue of pricing as it relates to imported foods. The member knows that and I know that.

Mr. Swart: You haven't done a single thing.

Hon. Mr. Davis: It's time he levelled with the people when he is explaining it to them.

Mr. Laughren: Supplementary: In view of the fact that the last two years workers' real incomes have declined by about three per cent, is it the Premier's policy and the policy of his government that workers should continue to subsidize corporate profits?

Hon. Mr. Davis: It has never been the policy that the workers or anyone else in this province subsidize profits or anything else. I would only say to the financial critic, as I listen to him, and as I analyse carefully what he is proposing for his party, if he's concerned about cost of living or the negative impacts on our economy, let him analyse what he is suggesting. If he is honest about it, he would acknowledge that what he is suggesting would mean more taxes for everybody, a less competitive position, lower productivity and lower growth. In fact, the economy of this province would be a shambles if we were to adopt the political philosophy of that party.

Mr. Wildman: You're whistling in the wind.

GREENHOUSE INDUSTRY

Mr. Mancini: I have a question for the Minister of Agriculture and Food, if the Premier will allow me to place it.

Mr. Deputy Speaker: Order. The member for Essex South has the floor.

Mr. Mancini: Thank you. Mr. Speaker. I'd like to ask the Minister of Agriculture and Food, since it's been almost four years since I first brought to his attention the plight of the Ontario greenhouse industry, especially in the Leamington area; since his government and his ministry have not lifted one finger to assist that industry; and since a report which has been prepared for his ministry says that the industry might come to a collapse in four years, what does the minister propose to do to assist that industry now?

Hon. W. Newman: Mr. Speaker, it's quite obvious that the member for Essex South has a very short memory. He sat in on our estimates last night.

Hon. Mr. Snow: He has a very short body too.

[10:30]

Hon. W. Newman: Does he remember who stepped in when we had the storm damage a year ago? We stepped in. Where was the government in Ottawa? We stepped in to help the greenhouse growers who were hurt very seriously.

The member says we do nothing for them. We are doing research all the time on heat conservation in the greenhouse industry. The minister took the sales tax off the heat blankets to save energy. We are now doing enough work so that we feel we can save 40 to 50 per cent of the cost of heating greenhouses.

The member should do a little reading. I will send him some research material. He should keep in touch with his riding and he would find out what we are doing.

Mr. Mancini: A supplementary: That was a good show by the minister but it did nothing to assist the industry.

An hon. member: It is not a show. It's fact.

Mr. Mancini: That's a good policy to have: when in doubt, shout.

In view of the fact the storm damage assistance to the greenhouse growers had nothing to do with the energy problem, in view of the fact the so-called heat research is not taking place in the Leamington area where the government could use the expertise of the farmers in this type of research, and in view of the fact that—

Mr. Deputy Speaker: Will the member place his supplementary?

Mr. Mancini: —the solar blanket cost almost as much as does the existing greenhouse structure, how can the Minister of Agriculture and Food say he has helped the greenhouse industry when he knows darn well the heating costs have gone from \$9,000 in 1973 to \$30,000 in 1977?

Interjections.

Mr. Deputy Speaker: Order.

Hon. W. Newman: You know it's very—

Mr. Eakins: Watch your blood pressure, Bill.

Hon. W. Newman: Oh I know. I have problems with it at times and it's going to get worse if he keeps up this sort of nonsense.

We are doing a lot of work with solar heat. I would invite the member to go and have a look at what we are doing in research in this province. I invited the whole committee that is sitting on my estimates to do that, and he was sitting there when I invited them.

At Vineland we have just finished building new greenhouses. This is one of the best research stations in the world—renowned worldwide—dealing with the greenhouse industry. The member also forgets we run a Foodland Ontario promotional program and the greenhouse cucumber sales are up 16.2 per cent this year. We have the co-operation of the growers and he doesn't like it because we are getting along very well with them, working with them, helping them to promote their products and move them.

Mr. Mancini: Mr. Speaker, this is a very important matter and I rise on a point of personal privilege. The minister has stated—

Mr. Deputy Speaker: What is the member's point of privilege?

Mr. Mancini: The minister has said he is getting along with the growers and that I don't like it. If he is getting along with the growers, that's fine and I am glad to hear it. I want the record—

Interjections.

Mr. Deputy Speaker: Order, order. That's not a point of privilege, that's a point of view.

Mr. Mancini: I have a further supplementary, Mr. Speaker. It's a very important matter, that is affecting 225—

Mr. Deputy Speaker: Order.

Mrs. Campbell: They don't want to hear it.

Mr. Deputy Speaker: Order.

Mr. Mancini: They are not interested at all.

MINING COMMUNITIES

Mr. Martel: To the Premier: In November 1977 the government established a cabinet committee to look into the economic future of mining communities to consider short-term and long-term measures which might be adopted by the province. Because the Treasurer last week indicated that the committee reported to the policy field and to the cabinet on its meetings, can the Premier indicate to the House what short-term and what long-term policies have been developed to assist mining municipalities that are in trouble because of decisions by the corporate sector?

Hon. Mr. Davis: I think that is a very legitimate question. I only say it is a very legitimate question because there are some that aren't always as relevant as the one just asked. I think the Treasurer has made it quite clear, through his budget, through the stability of the mining tax, which I think is important, that we are embarking upon a policy that will encourage the mining industry generally to further investment and to expand operations within this jurisdiction. That has to be, in essence, one of the fundamental policies I think relevant for the mining communities.

I think it is also fair to state that the government is considering other possible ways we can assist, but fundamentally, in terms of the mining communities, there has to be an economically encouraging climate for investment and for expansion. I understand that party disagrees with us in terms of how that should be done. That is fair. What they would do, of course, would be to discourage further investment. I understand that. What we are doing is trying to encourage further investment because that, in essence, is how we keep the mining communities healthy.

Mr. Martel: Supplementary: Having had 18 months to develop some policy, and in view of what the Premier just said, there has to be some economic incentive, can he tell me how the government is going to assist the municipality of Capreol when a mining company that made \$6.5 million last year has shut its doors? What short-term policy has the government developed in the last 18 months to offset that crisis in that community?

Hon. Mr. Davis: I think it is obvious that there is no solution for each individual community. I can say with respect to Capreol that this government made a very genuine effort to help resolve that problem.

Mr. Laughren: Nonsense.

Hon. Mr. Davis: I was there. Some members may think it is inadequate, that is fine, but in terms of the attempt made by the Minister of Labour and other ministries of this government to resolve the situation in Capreol, the member who asked the question, if he were fair, which he is on occasion, would acknowledge the effort that was made to keep that mine operating.

This government cannot, in terms of the market place, keep a mine in operation that is not at this moment economically viable. I don't expect that he would think we could. In terms of the alternatives, we won't have an alternative for each individual situation, but we are looking at ways in which we can assist Capreol because we are anxious to see that that community survives.

Mr. Martel: Final supplementary: Can the Premier tell me when he is going to be prepared to introduce into the Legislature some indication of what the short-term policies are going to be—not dealing ad hoc with one community, because that is isolated—and the long-term policies which will help those mining municipalities to avoid what has happened in Capreol recently, what happened in Sudbury last year, what happened in Falconbridge also last year, and what is happening, I understand, in Atikokan?

Hon. Mr. Davis: I think the honourable member himself understands the situation in Sudbury better than many others, and I think he knows that in terms of efforts of this government we made a great deal of effort in an attempt to have that particular matter resolved.

Mr. Swart: That wasn't the question.

Hon. Mr. Davis: I can't think of any—well, it was the question.

Mr. Swart: No, it wasn't the question.

Hon. Mr. Davis: Oh, don't interrupt. Don't interrupt. You are very vocal this morning. You are very vocal every morning.

We did make that effort. As I said, the obvious long-term solution is to have an economic climate that encourages the mining industry to expand its operations, and we are committed to that. Those people opposite aren't. They would nationalize the resource industry. Do they think that is going to solve the problem? They will drive development out of this province so rapidly they won't know what happened; that is what would happen to it.

MEMBERSHIP OF POLICE COMMISSIONS

Mr. Ruston: Mr. Speaker, I have a question of the Attorney General: There are many

police commissions in the province of Ontario lacking a quorum, or at least lacking the three required members and in some places five. In our own area we have some commissions that are supposed to have three members but only have two; since they must have a judge on them—there was a resolution only recently in this House suggesting this—is the minister intending to bring in legislation with regard to police commissions so that they can have other than judges on them?

Hon. Mr. McMurtry: Yes, Mr. Speaker, we are intending to introduce legislation to remove the mandatory requirement that a county court judge or a judge sit on the commission, although we still intend to support the principle of judges serving in this capacity.

WILD RICE HARVESTING

Mr. Wildman: Mr. Speaker, a question of the Premier: Considering the serious questions raised in the northwest over the \$182,000 in development loans and the 28 wild rice harvesting licences, covering more than 2,000 lakes and waterways, awarded by this government to one Mr. Benjamin Ratuski, would the Premier be willing to table the guidelines for the operations of Tory patronage in the north and throughout the province?

Hon. Mr. Davis: Mr. Speaker, in that no such guidelines exist it is impossible for me to table any such documents.

Mr. Wildman: What measures is the Premier willing to take to ensure that all those concerned will realize that there is, and appears to be, no favouritism involved in the awarding of wild rice harvesting licences in the northwest?

Hon. Mr. Davis: Mr. Speaker, I would be delighted to discuss this with the minister. We will have a detailed, voluminous answer that probably will not take too long on Thursday.

GUELPH CORRECTIONAL CENTRE

Mr. Bradley: Mr. Speaker, a question of the Minister of Correctional Services relating to the incident at Guelph recently.

Would the minister comment upon reports that two or three weeks before the escape at Guelph there was an increase in the number of fights breaking out between inmates, resulting in the isolation cells being filled to capacity; that there was an increase in the number of inmates requiring confinement to the hospital and, therefore, all the beds were filled; and that a week prior to the riot, twice the normal number of inmates attended an

AA meeting which was a legitimate meeting but it was rather suspicious that so many would attend at that particular time?

Taking all these things into consideration, would the minister not agree that if these facts were true it would be sufficient to make the authorities suspicious that there was an impending escape or other incident planned?

Hon. Mr. Walker: The staff of the Guelph institution did not anticipate there would be a breakout. The breakout was thought to be a spontaneous event that occurred during the period of the disturbance and the disturbance itself arose out of extremely minor events that took place earlier during the day, so far as our investigation at this moment can ascertain.

Mr. Bradley: Supplementary, Mr. Speaker: Is the minister aware of a report that an important door was left either unlocked or open, enabling the inmates to take control of three corridors of cells and, therefore, control of certain of the hoses which were then able to keep the minister's officials at bay? Taking all these things into consideration—these continuing reports, about which, no doubt, the minister has heard, either through the media or through other sources—is he planning to give a further report to the House in the form of a statement or an answer to questions on the incident at Guelph, to clear up some of these doubts that have arisen in the minds of citizens of this province?

Hon. Mr. Walker: I did not know there were any doubts in the minds of the citizens of the province relative to any unanswered questions. I thought in fact, Mr. Speaker, that all the questions had been answered with respect to the incident. If the honourable member chooses to put forward some more points, we will attempt to respond to them.

I would say that the individual dormitory areas where the disturbances occurred, four in total, were secured within moments after the incidents broke out. To my knowledge the access to the water hoses in each area permitted the place to be completely dampened down; they did not have to go from one area to another with hoses.

[10:45]

ELECTRONIC SURVEILLANCE

Mr. Lupusella: My question is related to the use of electronic surveillance in the work place. In view of the fact that two appeals to the human rights commission have failed to rid Ontario work places of cameras and other spying devices and considering that the minister agrees with the NDP position that workers should be protected from oppressive

electronic surveillance, will the minister introduce legislation to ban electronic surveillance from the work place in order that workers may be free to work without electronic scrutiny and will be treated like human beings with dignity?

Surely in 1979 in Ontario—

Mr. Deputy Speaker: Will the honourable member ask his question?

Mr. Lupusella:—this is a basic right which can be supported by all members of the Legislature.

Mr. Havrot: You are making a speech.

Mr. Laughren: Tell us you're concerned.

Hon. Mr. Elgie: It's nice to see the member for Nickel Belt here on a Friday. Members will recall the views I expressed on the question of electronic surveillance before. As the member for Dovercourt well knows, the particular incident that we discussed on a previous occasion had to do with surveillance in a situation in Toronto. The whole question of surveillance is now before an arbitrator. I have to tell the member in all honesty that it wouldn't be appropriate to review it in any great detail prior to the arbitration report.

However, I would like to tell him as well that we are preparing a position paper on the matter. It is not a matter that doesn't continue to concern me.

Mr. Laughren: We knew it would concern you.

Mr. McClellan: By way of supplementary, Mr. Speaker, in view of the fact that my colleague from Dovercourt will be introducing a private member's bill, which will be debated on June 7, with respect to banning electronic surveillance in the work place except under very restricted circumstances, will the minister, firstly, table in the House before that debate takes place all the information he has with respect to the installation of electronic surveillance devices in work places throughout the province, the numbers and what purposes they are put to?

Secondly, can the minister assure us that we will have the opportunity for a free, unfettered and unblocked vote on this most important bill when it is debated on June 7, in view of the enormous concern within many of our communities with respect to electronic surveillance devices?

Hon. Mr. Elgie: I would anticipate that the information the member has requested will be appended to the position paper when it is released. As to the stand of this government with regard to the private member's bill, I expect that each caucus will review the bill

and take the position which its caucus decides is appropriate.

Mr. Laughren: Like yesterday?

Mr. Deputy Speaker: The Minister of Consumer and Commercial Relations has an answer to a question previously asked.

GAS COMPANY BILLINGS

Hon. Mr. Drea: Mr. Speaker, yesterday the member for Hamilton Centre (Mr. M. N. Davison) raised questions about the five per cent penalty imposed for late payments by natural gas companies across the province.

These charges are dealt with by the Ontario Energy Board through the Ontario Energy Board Act. This act allows gas companies to charge a flat five per cent late charge on all accounts. The five per cent is not compounded but is assessed only on the specific amount that is late. It is not assessed on the total amount of the next bill. If the next bill is late, the five per cent will be assessed on the amount of the gas billed in that month, not on the total bill, including the previous bill and late charge.

There is a 10-day grace period before the penalty is levied. It would never amount to the 60 per cent alleged by the honourable member as the companies simply do not allow a customer to go a year without paying his bill. The gas would be cut off.

The Minister of Energy made a statement to the Legislature on November 21, 1978, entitled Public Utility Credit, Collection and Cutoff Practice. This statement was prepared after extensive studies by industry and government. The minister recommended that the grace period be extended to 16 days. All companies are now studying the matter.

The energy board used to permit a late penalty of 10 per cent on monthly customers and no charge on equalized-billing customers. However, as many equalized-billing customers were late, the penalty was reduced to five per cent and was applicable to all customers.

Mr. Peterson: A smaller ripoff.

Hon. Mr. Drea: When the companies appear before the energy board requesting a rate increase, billing practices are among the factors considered. The Public Utilities Act, administered by the Ministry of Intergovernmental Affairs, allows other utilities to require a deposit from customers prior to the start of service.

Mr. M. N. Davison: First of all, in regard to the interest rate that a five per cent penalty represents, whether it's compounded or not, would the minister not agree that five

times 12 equals 60? Secondly, would he not agree that any penalty or any interest rate, when there's a favourable credit balance in the account, is a consumer ripoff? Will he not do something to protect the gas consumers of Ontario?

Hon. Mr. Drea: Mr. Speaker, as usual, the honourable member is totally confused. The five per cent, no matter how long it goes, is not compounded—

Mr. M. N. Davison: Five per cent on one month is 60 per cent a year.

Hon. Mr. Drea: The member should just sit down and calm down and keep his head straight.

Interjection.

Hon. Mr. Drea: I know it's Friday, but he should keep himself calmed down.

Mr. McClellan: You keep yourself calmed down. You're becoming hysterical.

Hon. Mr. Drea: On the equalized billing, these factors were taken into account—not by this minister, not by any legislation we have—these questions were raised before the Ontario Energy Board. The energy board comes within the sphere of the Ministry of Energy. In order to end the debate with the member for Hamilton Centre, I see no reason for my ministry to intervene on this matter, now or in the future before that board.

Mr. M. N. Davison: Just let the consumers be ripped off.

Hon. Mr. Drea: I do not consider it to be a ripoff.

One of the things the honourable member has to learn is that the rest of the public is not going to subsidize anyone if he or she doesn't pay bills on time. That's a pretty fundamental business practice.

ALLEN CASE REPORT

Mr. Stong: Mr. Speaker, I have a question of the Attorney General. Could the Attorney General report to this House on comments attributed to him in the local media subsequent to the acquittal of Gordon Allen at his murder trial that he intends to conduct an investigation into the investigative tactics used by the police in preparing the crown's case in that trial?

Hon. Mr. McMurtry: Mr. Speaker, I don't think I said I was going to conduct an investigation. As the member knows, we're not an investigative ministry. I did say I had requested a full report from the Metropolitan Toronto Police Department and from the crown attorney's office in relation to this

matter. I expect the report to be forthcoming very shortly.

Mr. Warner: Supplementary, Mr. Speaker: Is it the Attorney General's position that evidence collected illegally should not be admissible in the courts in Ontario?

Hon. Mr. McMurtry: I don't know whether this has anything to do with the Allen case. I don't think there was any suggestion of evidence collected illegally. There was some suggestion or concern expressed about the manner in which a particular interrogation was carried on. As I've already said, I'm waiting for a report in that regard.

Mr. Stong: Arising out of the last answer: The concern obviously surrounded the use of a phoney affidavit in the acquisition of evidence and the later presenting of that evidence in court. That is what concerned us. Would the Attorney General direct himself in that respect in reporting to the House?

Hon. Mr. McMurtry: A major part of the report I'm awaiting deals with that particular matter.

CHOICE OF PHYSICIAN

Mr. Swart: A question of the Minister of Labour: Will the minister recall that during the Workmen's Compensation Board's estimates on March 29 of this year, my colleague, the member for Bellwoods, strongly condemned section 21(1) of the Workmen's Compensation Board Act? The minister will know that section said an employer may require an employee to visit a doctor of the employer's choice or risk losing compensation.

Does the minister know that Mr. W. R. Kerr, of the Workmen's Compensation Board, replied to him, "That section has been inoperative since the day it was put in the act in 1915"?

Will the minister now note carefully the contents of a letter dated April 17, 1979, from Hayes-Dana Limited, in Thorold, to Mr. Ross Secord, of 33 McColl Drive in Welland? I quote from that letter—

Mr. Deputy Speaker: Would the honourable member place the question?

Mr. Swart: Yes, I will put the question. This is a very important part of the question.

"You are to report to the office of Dr. McCullough on Wednesday, April 25, 1979 at 3:15 p.m. Be further advised that failure to keep this appointment will be a violation of section 21(1) of the Workmen's Compensation Act which reads:

"An employee who claims compensation or to whom compensation is payable under

this Part shall, if so required by his employer, submit himself for examination by a legally qualified medical practitioner provided and paid for by the employer."

Would the minister now agree that, in fact, section 21 is being used by employers to threaten employees to go to a doctor who well could be pro-company? And, doesn't he now agree that this section—

Mr. Deputy Speaker: Order. Order. Put the question.

Mr. Swart: —ought now to be rescinded and will he bring in such an amendment?

Hon. Mr. Elgie: Mr. Speaker, I would appreciate if the member would give me a copy of the letter. I'll take the question as notice and respond next week.

Mr. Swart: A supplementary: May I ask him also to note well that the letter also states: "Your employment at Hayes-Dana will be subject to the results of this independent medical. Failure to keep this appointment could result in dismissal from your employment at Hayes-Dana."

Does the minister agree with that kind of oppression? I'd like to have his comments on it and will he also amend the Workmen's Compensation Board Act and the Labour Relations Act so that any employee—

Mr. Deputy Speaker: Order. I think the member—

Mr. Swart: I'm asking, Mr. Speaker—

Mr. Deputy Speaker: The question was taken as notice. The honourable member may add a very brief question so that he can ask for further information, but this is not the time to make a speech.

Mr. Swart: The question I want to ask is, will he amend the Labour Relations Act or the Workmen's Compensation Board Act so that where the Workmen's Compensation Board is involved the employee may only be required to see the doctors of his choice or the doctor where he is directed by the Workmen's Compensation Board?

Hon. Mr. Elgie: Mr. Speaker, I'll take that as notice and report.

Mr. McClellan: I hope the minister will find out whether I was misled by his officials or not.

NUCLEAR PLANT SAFETY

Mr. B. Newman: I have a question of the Minister of Labour. Recently, the minister announced evacuation planning concerning nuclear plants in the province of Ontario. As there is a nuclear plant within 30 miles of the city of Windsor in the state of Michigan,

would the minister consider contacting the operators of that plant, Detroit Edison Company, and also discuss with the local officials possible evacuation plans for the Windsor area in case of some type of mishap in Michigan?

Mr. Warner: Bette wants to close Windsor anyway.

Hon. Mr. Elgie: Mr. Speaker, the issue of contingency planning, as the member knows, was discussed in some detail in committee and here, and the Minister of the Environment (Mr. Parrott) indicated that there would be an international committee requested to review off-shore problems and I expect to be part of those discussions. I will certainly keep the point of view the member has mentioned in mind when I go to the meetings.

Mr. Cooke: A supplementary: Would the minister agree that the potential dangers to cities that are on the boundary between the United States and Canada are much greater? He can't use the same excuse he's used for lack of planning with the nuclear reactors here in Ontario because the one being built in Michigan is not a Candu reactor. We're dealing with one of their reactors.

It's of great concern to the people of Windsor that there has been no evacuation planning and no contingency plan in case there is an accident. Leadership is required on the part of the government to make sure that a plan is developed.

Hon. Mr. Elgie: I appreciate the concerns the citizens must have about off-shore nuclear plants and, certainly, that is one of the issues that has been raised as a result of the Three Mile Island event. I can assure the member that I share the concern he has expressed and that will be a part of the—

Mr. McClellan: The minister should have a violin.

Mr. Laughren: There's that concern again.

Hon. Mr. Elgie: Listen, Floyd; settle down young man. It will soon be after the 22nd and you can relax.

Mr. Laughren: The minister's concern is overflowing.

Hon. Mr. Elgie: I'll take that point of view as well to the committee meeting.

Mr. McClellan: The minister is going to die of concern.

[11:00]

Mr. Bounsall: Supplementary: Is the minister not very concerned about the situation of this nuclear plant with its problems of design and the evacuation systems that may need to be set up because of the length of

time that it takes to get cross-boundary agreements on anything of this sort? Is the minister not concerned about the length of time it is going to take? And will he move with some urgency in this matter to see that the proper safety devices, if possible, can be built into that plant and the citizens of Windsor protected?

Mr. McClellan: The minister is going to die of concern.

Hon. Mr. Davis: We are concerned about the member for Windsor-Sandwich.

Hon. Mr. Elgie: Like the other members of this House, I have been reading the papers and I have been interested in the moves that have been taking place south of the border with regard to nuclear plants. I would expect the member would acknowledge there is a concern being demonstrated south of the border with regard to that matter.

Mr. Laughren: There is that concern again.

Mr. McClellan: I'm going to send the minister a thesaurus.

ADULT ADOPTEES

Mr. Sweeney: I have a question to the minister responsible for the social development policy field or to the Premier, whoever chooses to pick it up. Can the minister advise this House whether or not cabinet has made a decision with respect to the Child Welfare Act, particularly on the section dealing with adult adoptees?

Mr. J. Reed: Neither one of them knows the answer.

Mrs. Campbell: Don't look so stunned.

Hon. Mrs. Birch: I am just following you.

I would like to say to the honourable member that it is under consideration.

Mr. Sweeney: Supplementary: Can the minister identify for the House the criteria that are going to be considered in making that decision?

Hon. Mrs. Birch: We are consulting with the minister on all of the legislation that relates to the new act which will, we hope, be proclaimed on June 1.

Mr. Sweeney: Given the fact that the bill including that section, was passed by this House in third reading, does the government have any intention at all of removing that section from the bill?

Hon. Mrs. Birch: As far as I know, there is no intention to remove any section of the bill.

TOURISM

Mr. Wildman: I have a question of the Minister of Northern Affairs. In view of the

request made by the Northern Ontario Tourist Outfitters Association that the government should fund a study of the economic effects of acid precipitation on northern lakes on the tourist industry, what response is the government prepared to make to that request? Is it willing to fund a study this summer to try to assess the effect on jobs in the tourist industry?

Hon. Mr. Bernier: The honourable member is very much aware that we in the Ministry of Northern Affairs have been very closely associated with the tourist industry in northern Ontario, having funded a number of studies related to the economic future of that industry in that part of Ontario. I have not been made aware of any such request to take a look into that particular study.

Mr. Deputy Speaker: The oral question period has expired.

Hon. Mr. Davis: Vote Tory on Tuesday.

Mr. McClellan: Not a chance.

Mr. Martel: Are you begging now?

Mr. Sweeney: Is that a paid political announcement?

Hon. Mr. Davis: Your leader is voting Tory.

Mr. Deputy Speaker: Order.

INTRODUCTION OF BILLS

EMPLOYMENT STANDARD AMENDMENT ACT

Mr. Lupusella moved first reading of Bill 98, An Act to amend the Employment Standards Act, 1974.

Motion agreed to.

Mr. Lupusella: The principle of this bill clearly spells out that electronic surveillance can only be used if the employer can prove it is necessary for the protection and safety of the workers. At present there are no restrictions on the use of electronic surveillance in the workplace. All appeals to the Ontario Human Rights Commission have failed to rid Ontario workplaces of cameras and other spying devices.

Employers use electronic surveillance devices for two reasons. The first is to prevent theft; however, they do not need to prove that theft has ever occurred or is likely to occur, or that electronic surveillance is the best or the only means to control theft. Just because an employer is afraid that theft might occur is no reason he should be able to spy on his employees and show no respect for their dignity and privacy.

The second possible justification for electronic surveillance is that it increases the productivity of the workers.

An hon. member: Is this an explanation or a speech?

Mr. Gregory: Point of order, Mr. Speaker. The honourable member seems to be debating the bill. Isn't he supposed to be just introducing it and discussing the principle?

Mr. Martel: Mr. Speaker, on the point of order: You will recall yesterday that when the Attorney General introduced a bill, the Speaker allowed him to make a statement after both bills were introduced. I remind the honourable member of that.

Mr. McClellan: One rule for the government and one rule for everybody else.

Mr. Breithaupt: On the point of order, Mr. Speaker: I think there has been some acceptance in the House that an introductory statement is made briefly and that usually it follows the form of the notes inside the page of the bill. If those notes are extensive and have to be dealt with then there is some merit in a somewhat developed statement; but I do agree this seems to be rather a lengthy comment on this one point.

Mr. Deputy Speaker: I appreciate the comments made by the honourable members. I'm quite sure it's been the custom of the House that basically the purpose for the time allotted after the introduction of the bill is strictly for an explanation of the bill. I'm sure the honourable member for Dovercourt will stick to that.

Mr. Lupusella: Thank you very much, Mr. Speaker. I got your message and I'm satisfied. In view of the concerns raised by the honourable member for Mississauga East, I conclude my brief remarks by stating that if the bill passes, working people, particularly immigrants and the low paid workers, will have won a significant victory.

Mr. Deputy Speaker: Order. I'm afraid the honourable member is out of order saying "if the bill passes." Would the honourable member please take his seat. I feel that remark really is not appropriate at this time, on the introduction of the bill. The honourable member has introduced it and we will see when it is discussed whether that will come into effect.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Bernier: Mr. Speaker, before the orders of the day, I wish to table the answer to question 15 and the interim answer to

question 173 standing on the Order Paper. (See appendix, page 2116.)

ORDERS OF THE DAY

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS

(continued)

On vote 701, ministry administration program; item 1, main office:

Mr. Wildman: I wonder if the minister could give some clarification with regard to the comments I raised in the leadoff I made last Monday on the comments made by a Mr. Jackman of his ministry with regard to the directory. I know it's a small matter. It is an expenditure of only \$18,000, but I wonder if the minister could clarify as to whether or not this was indeed a trial balloon sent up by the ministry to get comments from various people and ask for clarifications and criticisms, or if indeed it was a final edition for that year. It was just full of errors, and when those errors were drawn to the attention of the ministry they backed up and said it was just a draft. If it was indeed just a draft, why on earth was it done in such an elaborate fashion and why didn't the ministry just send out questionnaires to various municipalities and bands and organizations in unorganized areas to get the information?

Hon. Mr. Bernier: Many of the clerks and many of the people in northern Ontario were looking to us to pull together a very comprehensive survey or a comprehensive list of all the communities and what they could offer and what was there. It involved the whole aspect of identifying all those areas in northern Ontario. While there were some minor mistakes, I thought the editorial in the Sault Star was a little overdone.

There were some mistakes. To err is human, let's be honest. I can tell you I didn't lose any sleep over the errors that were in that report. They can be corrected very quickly and they will be in the next printing of that very comprehensive bit of information.

Mr. Wildman: In relation to that, it would have been far better if the director of information services for the ministry had said what the minister has just said, admitted the mistake and said that they would improve on it next time. In relation to the overall co-ordination function of his ministry and in relation to the main office, I also would like to know if the minister could indicate if in the operation of flood relief in the northeast, which I raised last Monday, Mr. Herb Aiken, the assistant deputy, is going to play an

active role; and if he is what that role will be in co-ordinating the assessment of damages and the distribution of government funds? Is this what the ministry sees as its role in such emergencies—and I am not being critical particularly—namely, coming in later, after the immediate emergency is over, to try to deal with the cleanup and the rehabilitation in a somewhat similar way to what happened in Cobalt? Is that the situation?

Hon. Mr. Bernier: Yes, Mr. Chairman. This matter was dealt with extensively during the last couple of weeks. Just as late as this morning we had a very broad meeting with the Minister of Intergovernmental Affairs (Mr. Wells), along with senior staff from five or six ministries, including Bruce Lonsdale who was there from Field. As the hon. member knows, the communities have banded together and have engaged his services in trying to co-ordinate the municipal response to that very disastrous problem that occurred in that particular area. The Assistant Deputy Minister, Northeastern Ontario, Herb Aiken, has been designated by cabinet as the co-ordinator to come in, as you correctly say, after the fact, and to be the main contact for that group in that particular area and to co-ordinate all the various activities and the assistance that we will be giving to that particular area from the provincial point of view.

Mr. Wildman: Can the minister indicate when the government anticipates a decision on White River? Will that be at the next cabinet meeting next week?

Hon. Mr. Bernier: Yes.

[11:15]

Mr. Wildman: Okay, then that's fine. I will just leave that. I just have one other question in regard to your co-ordination and liaison with other ministries.

The minister disagreed with me when I raised this briefly on a previous occasion, but there is some evidence that the Ministry of Transportation and Communications has been very unhappy with the continued existence of the very few statute labour boards in the unorganized areas of the north and has been actively encouraging those boards to convert to local roads boards. For one thing, the funding formula is particularly different between the two, and in some ways it is advantageous in terms of global funding for a board to be a local roads board rather than a statute labour board. However, of course, the statute labour board can contract out the work rather than having MTC

carry it out, and in some ways they can save money that way.

Recently it came to my attention that MTC is proposing a meeting with the various local statute labour boards that are left to try and talk about the whole issue. I think they appear at least to be trying to discourage them from continued existence and to encourage them to convert to local roads boards. Is this the minister's understanding? If it is, what input has this ministry had with MTC about this? Have you tried to poll the views of the chairpersons of the various statute labour boards to find out their views on this matter?

Hon. Mr. Bernier: This is an area in which we would not really get involved. I think it is fair to say the Ministry of Transportation and Communications is very pleased with the operation of the local roads board. They are funded, as the honourable member correctly pointed out, on a two-for-one basis; however, the actual expenditures are done through the ministry itself. In other words, the \$1 raised by the local roads board is sent to MTC and they do the actual work.

I think there is some benefit to that in that MTC does have the equipment. Under the Statute Labour Act, of course, the statute labour board can engage their own contractors and do their own work, but they only get funded on a one-for-one basis.

I would have to agree that if there is a movement to go to local roads boards, and I am not sure if there is, that is the route to go. I know in my own home town of Hudson it took us some time to convince the local people there were some real advantages in going to the local roads board. I think the assistance given in administration alone was very beneficial. Quite frankly, there is a duplication, there is no question about it, with a local roads board and a statute labour board actually doing the same thing. I don't think it is necessary to have two acts to look after roads in unorganized areas. I think they are just trying to streamline their operation and I would agree with it.

Mr. Wildman: Just in brief response to that, I don't have any great disagreement with what the minister has said; however there are some members of statute labour boards who feel they can get some of their work done, grading and so on, at substantially less cost by contracting out to local contractors than it might cost them if they were having MTC do the work, because of greater overhead costs for MTC and so on.

Hon. Mr. Bernier: I might elaborate a little further on the statute labour board. I

think if you look at the act itself and go back into history, you will see that in many unorganized areas of northern Ontario much of the work was contributed over the years. In other words, you actually went out and did your statute labour on the road and that was a credit to your property. This is not possible under a local roads board. It is on an assessment basis, not on the work performed. I think really the statute labour board has outlived its day and the route to go, and a more modern approach, would be to the local roads board.

Mr. Wildman: Thank you; I have a further item in relation to the question I raised with the Premier (Mr. Davis) today. I would like to give the minister the opportunity to respond specifically to the relationship between his ministry and the Northern Ontario Development Corporation in northern Ontario, and to the Agricultural Rehabilitation and Development Administration. I think it is only fair the minister have the opportunity to clarify that situation, and I would like to give him that opportunity to do so if he wishes to take it.

Hon. Mr. Bernier: Mr. Chairman, I do not know what there is to clarify. I understand that as I was walking out of the House the honourable member did stand up and ask a question, leaving an inference that it was political patronage between myself and Mr. Ratuski in Kenora. I think that is about the lowest, cheapest political attack I have ever heard in this House.

It would have to come from a member of the socialist party, because if anybody knows the Ratuski family, Mr. Ratuski's father was the former mayor of Kenora and a very strong Liberal for many years. In fact, talk about political affiliations, the present Ben Ratuski was the campaign manager for the former Liberal candidate back in 1967. The family is recognized for that.

The integrity of that family has been called into jeopardy and I just cannot stand here as a member of the Legislature and accept that. It is cheap and it is wrong. I think if the honourable member knew the family and knew the situation in the Kenora area he would appreciate what this family has done for the development of a wild rice industry in that area, the hundreds and hundreds of native people that his father and he himself employ in the industry.

In fact, it was done on the initiative of this man who has lived in the area all his life and has raised several children who are actively involved in the resource extraction business. He was in commercial fishing for

several years. In fact, it was the Fresh Water Fish Marketing Corporation, when it was established, that put him right out of business. A lifetime of work had gone into that. He followed in his father's footsteps in moving into the wild rice business and it was through his initiative, his free enterprise spirit that encouraged him to move along and develop a product that is second to none on the North American continent as it relates to wild rice.

He has developed, with ingenuity, imagination and initiative, the only processing plant in the province of Ontario right at Keewatin, using a very simple gravity feed system on the shores of the Winnipeg River. Any assistance he did receive through ODC was certainly through the regular channels and was available to anybody who would want to apply.

I think the former Treasurer made it very clear in that article that there was no special attention given to his request because of his friendship with many members of this Legislature, not only on this side of the House but on that side of the House too. To leave an inference that there was political patronage, I just cannot accept it, I will not accept it, it is totally wrong and I think the comment should be retracted.

Mr. Wildman: Mr. Chairman, I did invite the minister to make a response and he has indicated that he considers my inference cheap. I would like to point out that I was not intending to criticize any particular individual, but to ask a question in relationship to a number of development loans that have been extended and the relationship of this ministry towards them.

Since the minister has referred to the article I will refer to it myself. It is an article from Harrowsmith magazine. I guess the author of the article phoned the ministry and asked for names of commercial sources of wild rice in Ontario and from a secretary received this response: "I can give you the name of the company that sells it," she told the caller. 'Shoal Lake Wild Rice Limited in Keewatin. They have two offices.' She furnished the telephone number for each office and then was asked if there were any other companies selling wild rice. 'I don't know if anybody else sells it. This man just happens to be a friend of Mr. Bernier's.'"

I am not particularly concerned about what she said. What I am concerned about is the fact, as raised by this article, that the Manomin co-op was not mentioned. I am wondering why it wasn't, and for that matter why that co-op has not received the assistance

of the Ontario Food Council or the interest-free loans that might be available from the Ontario Development Corporation. Perhaps if that kind of assistance had been given that operation would be more viable and would be able to compete more effectively.

If the minister considers my inference cheap, I merely refer him to the comments made by a member of his ministry in response to a question about information on the availability of commercial wild rice. I am not criticizing any individual outside of the government, but I think the whole question, as I said in my leadoff, is the need to ensure that there's not any appearance of favouritism.

Hon. Mr. Bernier: To respond briefly, I appreciate the honourable member's remarks. I realize he is getting his information from a magazine article and it may raise these questions in his mind. As a ministry we have no involvement in NODC applications. We are not a line ministry, such as the Ministry of Natural Resources, which would be dealing with the allocation of a timber limit in response to an application from a sawmill operation through the Northern Ontario Development Corporation. We don't have that kind of connection as a co-ordinating ministry, having funds for development with regard to municipal infrastructure and setting priorities for northern road development. Our relationship is not the same as that of other ministries. We don't have that kind of connection in NODC.

In connection with the wild rice company I know of no other producer—I hope the honourable member is listening?

Mr. Wildman: I am.

Hon. Mr. Bernier: I don't know of any other producer who had rice available at that time; just the Shoal Lake Wild Rice Company. I understand that Manomin some time ago did send their rice to Minnesota for processing. It is down in the United States. Here we have one operation in Keewatin. In fact it is my understanding there was such a small crop last year he is actually buying American rice to look after his customers in the United States.

My secretary was quite right in saying there is no other company in Ontario selling wild rice. If anyone would call, I would hope that she would respond in the same manner, saying that Mr. Ratuski is a friend of mine. I do not deny the fact. He is a personal friend of mine and I am proud of it. I want to repeat that there is no connection between NODC and the Ministry of Northern Affairs.

Mr. Laughren: I want to talk about a few different matters that appropriately come un-

der the head office vote because they reflect policies of the Ministry of Northern Affairs.

We in this party have been concerned about the role of the Ministry of Northern Affairs from the day the government rejected the amendment put forward by my colleague the member for Sudbury East (Mr. Martel) because it indicated it did not appear to be very serious about really effecting change in northern Ontario. While they talked about the Ministry of Northern Affairs being a co-ordinating ministry, it really was nothing but a ribbon-cutting ministry for the minister to trip across northern Ontario—what was the expression?—“like a wounded moose in a snowstorm.” That’s the role that the minister has tended to play.

The reason I say that, and I am rather harsh on the minister, is because despite the number of very specific problems to which he should have addressed himself in the years that we have had a Ministry of Northern Affairs, nothing has really happened.

This morning I wrote a letter to the Premier (Mr. Davis). I am sending a copy to the Minister of Northern Affairs and also to the Minister of Health and the Minister of the Environment, about their failure as a group of ministries to do anything about the problem of drinking water in the community of Gogama. It is unbelievable the way they have passed the problem from one to the other. It is a classic case of a co-ordinating ministry just mucking things up and throwing red tape into the machine.

[11:30]

It’s serious. I’ve asked the Premier not to put me back to one of the ministers because there appears to be no solution there, I’m very critical of the various ministries, because we’re not dealing with a simple problem of catering to my whims as the member for Nickel Belt, we’re talking about a community of 500 or 600 or 700 people, and considerably more than that in the summertime, a community which has extremely high levels of nitrates in the water table.

The minister knows about it. As a matter of fact on March 2 of this year I met with officials of the Ministry of the Environment and the Ministry of Northern Affairs in Timmins to talk about the problem. I’ve mentioned it to the Minister of Northern Affairs. It always seems to be a case of tomorrow. They say: “When we get the unorganized communities legislation in, then maybe we can do something about it.” Yet on Monday of this week the minister stood up and said he didn’t know if this legislation would be going through this session. So it’s put off again. If it’s put off until the fall, there’s

nothing can be done in terms of a water supply system in northern Ontario in the wintertime, so it will at least be put off for another year while the nitrate levels spread in that community.

I’m using Gogama as the example for a couple of reasons. There are other communities too, in Nickel Belt, and I’m sure elsewhere in northern Ontario where the water supply problem is serious. I could use Sultan as an example, where there are very high levels of nitrates. The minister knows they are dangerous to infants, and potentially dangerous to pregnant women.

It’s not as though there is no solution. In Gogama there is a communal water supply system that services the Ministry of Natural Resources’ people and the OPP detachment there. It would be expensive to extend it but it can be extended. There’s been study after study done in the last six or seven years, and no concrete action is taken. It’s always tomorrow, it’s always there’ll be something around the corner with which to deal with the problem.

The typical financing arrangements are not sufficient. I think the minister would agree to that. The one-to-one formula that applies to Gogama wouldn’t work. As a matter of fact, I don’t think two to one would work either, because of the cost of establishing a communal water supply system. Special consideration has to be given to communities where health is a problem. Where at least a potential health hazard exists you’ve got to throw out those criteria.

I know the minister is worried about setting a precedent, but when we’re talking about the health of people you can’t use precedent as a reason for failing to take any action. I really do urge the minister to seriously think about it and not to use the arguments we don’t have the legislation in place or we’re going to have to wait yet again. That’s not a defensible position, given the length of time it’s been a problem and the number of ministers who have been involved.

So help me, if I were to bring in all the files I have on the Gogama problems, I would need all the pages that are here assembled. What a fine group of pages we’ve had this time! I am somewhat prejudiced about the quality of pages this time. Nevertheless, it’s been a fine group. It would take all the pages to carry in all the files I have on Gogama. I didn’t do that; but the minister understands it, he and his ministry really lack a lot of credibility in our eyes because of the failure to resolve that particular problem.

The other thing, leading on from that, is the whole question of the development of

northern Ontario. I hope the Treasurer would at some time, not because I said it but because it represents the policy of his party, take a look at the comments I made in the budget response on mining machinery and what I see as at least a partial solution to the problems of the development of northern Ontario.

In this province in 1978 we imported 91 per cent of our mining machinery. Back less than 10 years ago it was down around 60 per cent. The imports are meeting an increasing proportion of the domestic demand for machinery. We're one of the world leaders in resources but we're importing 91 per cent of our needs for mining machinery. The private sector simply hasn't done it.

I was taken to task somewhat by the Globe and Mail for my fixation on crown corporations. But I want to tell you that in every single case where I mentioned a crown corporation it was because the private sector had failed to meet the need. It was not because of any particular passion of mine. Take a look at mining machinery, if you will. If the private sector won't do it, then I would suggest to you that we have to do it. It's nuts for us to be importing 91 per cent of our mining machinery into this jurisdiction, it's absolutely nuts. I'm not just talking about mining machinery to meet the needs of the nickel mines, but there are gold mines, copper mines, the oil exploration development out in western Canada, and, the coal fields. They need all sorts of mining machinery.

The Ministry of Industry and Tourism runs around saying we've got to stimulate exports and that's the solution to our balance of payments, the growth of jobs and so forth. Surely the first step is to develop industries to meet the needs of our domestic industries like mining. Surely we should first develop a mining machinery complex to meet our own needs, then develop the economies of scale and the expertise, the research and development to export them to world markets. There's an enormous potential here. By our figures, in Ontario alone there are at least 12,000 jobs at stake. That's what that 91 per cent of imports represents. It represents 12,000 jobs. If it requires joint ventures with the private sector, fine. The important thing is to produce our machinery here.

We can argue if you like about who should do it, but I don't think you'd disagree we should be producing it here. If the private sector hasn't got it, then let's move in and do it. Let's talk to them about it.

We talked to Inco when they appeared before the select committee on layoffs and they indicated there didn't seem to be any

suppliers here. When we pursued it further, we found out there were interlocking directorships between Inco and mining machinery suppliers in the United States. When you've got interlocking directorships it's a very comfortable and nice way to buy your mining machinery. There is nothing illegal about it, but it's one reason we never developed a mining machinery complex in the province of Ontario. We are the leader in this country, we are the leader as a province, in the proportion of manufacturing and real wealth that is created in Canada, and yet we stand idly by while we import 91 per cent of our mining machinery. That is a sad comment on the policy of this government.

The Ministry of Northern Affairs should be playing a very active role in this. I can imagine what a mining machinery complex would do for the Sudbury basin. It wouldn't have to be there, but it would be an ideal location. We've got the best laboratory in the world in the mines of Sudbury. We've got a university where the research and development work can be done, and we've got a willing and eager work force in Sudbury as well. The steel industry is at the Sault. There is a potential for a deep water port in the area, and yet nothing seems to happen. We just let things drift and import an increasing proportion of our mining machinery.

The minister gets up or the various ministers get up and talk about stimulating the small business community. The Treasurer (Mr. F. S. Miller) brought in a bill which we debated and passed last night on small business development corporations. We give a 30 per cent write-off to people who invest in a small business development corporation which will then put equity into small businesses. That's fine, we supported the bill; but the minister surely knows the biggest boost he could give a place like Sudbury, its small business community, would be to establish a major complex to turn out mining machinery there. Nothing would stimulate the small business community as much as a major operation such as mining machinery. If you really want to stimulate the small business community, that's what you have to do, not just give them tax incentives and write-offs and so forth. They'll take them, obviously, they'd be crazy not to; but that's not the long-run answer to developing an industrial complex anywhere in the province of Ontario.

When the minister responds when I sit down in a couple of minutes, I hope he will talk about developing a mining machinery complex in the Sudbury basin. I can't think of anything that would give a greater boost to northern Ontario than to do that.

This minister has an obligation to talk about the development of the north. The former Treasurer, Darcy McKeough, said there would be no secondary manufacturing in northern Ontario for 20 years. He said 20 years, and this minister isn't doing anything to indicate he has views different from that. If he does, I'd like to know what they are.

He can get up and talk about incentives in the mining industry in order to create a climate for investment. That's what the Premier (Mr. Davis) did this morning. What a joke. There have been incentives given to the mining industry for 75 years, and not just from this government; yet what have they done for you? What have they done for us in northern Ontario? Where is the mining machinery complex? Where is Falconbridge's refinery? For 45 years they have been in Sudbury and still they have no refinery. They do the dirty and the dangerous work in Sudbury and the clean work in Norway. We have had enough of that. They lay off people as they see fit and they export capital to the other worlds, the third world and the United States, as they see fit, with not even a whimper from the Minister of Northern Affairs.

The Premier beats his chest and says, "We put a lot of effort into saving Capreol and saving Sudbury." I am sorry to say it but we measure this government by its actions, not by words. That is how we feel about it. We have had it up to here with all the promises of what is going to be done for northern Ontario and seeing nothing come to fruition. That is wrong. People's expectations are raised and then let down. We are very critical in that sense.

I have only talked about mining machinery, but there are other areas, if there was more time, we could talk about as well. I really wish this minister would go to the Treasurer and to the Minister of Industry and Tourism (Mr. Grossman) and say, "Look, guys, you have \$200 million in the Employment Development Fund; instead of spreading it all over Ontario in tourism, in manufacturing, in resources and in agriculture, take that \$200 million and put it into a sector and do something meaningful with it." I can't think of a better sector than mining machinery. Take that \$200 million and start to build a mining machinery complex in the Sudbury basin. That is what should be done with that \$200 million. At the end of a year that \$200 million is going to be spread all over Ontario and there will not be a single sector improved because it will be spread too thin.

If my suggestion is taken up we would address the problem of one sector and re-

build one sector at a time, maybe even two. With \$200 million something can be done. But, with a grant of half a million here, half a million there, spread all over Ontario, in the end no difference will be seen. We will still be importing 91 per cent of our mining machinery. There should really be a serious look taken at that.

The other area I want to talk briefly about is the obligation of this ministry to look after communities that are abandoned. The minister knows the town of Chapleau, he's been there; within the last six months or a year he's been to Chapleau, I believe. I just came back from there last weekend. I spent almost the whole weekend up there in Chapleau.

Hon. Mr. Bernier: I am in the area on a pretty regular basis.

Mr. Laughren: Who?

Hon. Mr. Bernier: Me.

Mr. Laughren: Are you? Yes. I won't ask the minister to table a record of his visits to Chapleau in the last 10 years.

There are a couple of rivers running through the middle of the town of Chapleau. On one side of the river there is a sawmill. The town boundaries extend for part of that area. It is called "The Planer," because that is where the planing mills are. A lot of that portion known as The Planer is not within the boundaries of the town of Chapleau. So guess what? They are in real trouble. They have inadequate subdivision of property. They have inadequate drinking water, sewage disposal facilities, and the roads are unbelievable. I almost lost my car in a pothole over there.

Mr. Havrot: Too bad you didn't get lost.

Mr. Laughren: If I had had a small car I don't think I would have emerged from the bottom of the pothole. It is really serious. The place is abandoned. The town won't extend its boundaries to take it in. I am angry with the town too. I am very angry with the town of Chapleau for the way the people in The Planer have been treated. I am not proud of that and they know that. As a matter of fact there is going to be a meeting in a week or two to look at one specific problem, but it is only one specific problem involving a trailer park. Those people have been abandoned.

The property isn't properly subdivided by the lumber companies, or whoever owns the land; some of it is owned by the lumber company, some of it is privately owned. It is a real planning mess. And everybody allowed it to happen. There have to be 1,000 people there now. People come in, they live there, they work in the sawmills, they move on;

they have no sense of fixing up their houses. It would not be a good investment because who knows when they will be kicked out of there. A bunch of people is just getting eviction notices now from the trailer park. Why should they fix the place up? They have no real authority to be there, no statutory right to be there. That is wrong. It is one thing for the town to say, "Look, we have our own problems in this community." They have got a problem financing the existing boundary. But, no ministry of government, despite all the letters, will move in there and say, "This has gone far enough." The problem is only going to get worse, it cannot get better. So there is a choice. Either sit back and twiddle your thumbs and watch it get worse or move in aggressively and do something about it. [11:45]

Why doesn't the minister do something about it? I know it's complex and it involves different ministries. It involves the Ministry of Housing and it involves the health unit from the Sudbury area. It involves the municipality, it involves the Ministry of Natural Resources and it involves all sorts of people. What you would have to do, almost, is to send somebody in there with authority, as a lead for the various ministries to say: "We're going to work this out for heaven's sakes." It's going to cost us some money but if we leave it it's going to cost more. The problem is much worse now than it was 10 years ago. In 10 years from now it will be worse still. I really urge the minister to move in there and do something about that problem.

The people in that community are almost solidly Franco-Ontarians. They are almost solidly French-speaking people. Chapleau is basically—I want to be careful—basically an anglo town in the way in which it is run; main street, council so forth. I really think the people on that side need improved services in their language. They should have French television beamed in there. I know that's federal jurisdiction; I've done the correspondence on that end. You'd never guess who the former federal member was for the town of Chapleau. He was Ralph Stewart. I can't tell you which party he was with because I don't think anybody knows. That was the former member. He promised French television for the people in Chapleau.

He kept promising it, but nothing ever happened. Even though that's a federal jurisdiction, the minister should come in and state in no uncertain terms to the CRTC in Ottawa that this should be a priority, that those people should have French television. I'd say the majority of them don't speak

English. A lot of them have come from Quebec and have settled in that community. They are good, hard-working people in the sawmills and in the bush. For them to be just abandoned, which is the word that keeps coming back to me, for them to be abandoned by everyone is not fair.

That is simply not the way we want northern Ontario to be developed. I don't know if when the minister was there they took him on a tour of The Planer or not. I suspect they didn't, but I could be wrong. It is not something they would set up as a tour. Tour guides would not take you on a trip of The Planer area. They are good people, they pay their taxes and they send their kids to the school there; yet they're not getting a fair return for their presence in that community. They contribute a lot to it and they are getting very little in return.

It's partly a responsibility which the town hasn't met, but also the provincial government has a responsibility to oversee something like that. If a large number of people are being neglected, the government has an obligation to move in and do something about it. I know it's not easy, I wouldn't pretend otherwise. I haven't stood up here and said there are simple solutions to it, but the government has really got to get somebody in there, pull all the people together and get on with solving the problem.

Hon. Mr. Bernier: Mr. Chairman, if I could go back to the earlier comments of the member for Algoma (Mr. Wildman). I wanted to just put on the record for his information, and maybe for those who will be reading these comments in Hansard, that the author of that particular article in Harrow-smith magazine was a Cathy Avery. She was a former employee of Treaty No. 3 in the Kenora area. I put that in as a matter of interest. Also, I have just been reminded by a member of my staff that the Manomin plant, to which the member made reference did receive a very substantial federal grant—there was some thought that might be in the neighbourhood of about \$900,000—to develop a wild rice business in that part of northwestern Ontario, which has never materialized. I think those are areas of interest that should be put on the record.

In connection with the member for Nickel Belt's comments. I share equally his concerns about Gogama. I appreciate your views; having been there on a number of occasions I know very well to what you refer. Where one area of the community is serviced with water the other area across the tracks is not. The health problem involved with regard to their water supply is a very serious

one. Members will recall that the old Treasury department, TEIGA as we used to refer to it, did try to bring forward a piece of legislation known as Bill 102 that would have organized them in a very formal way, which was not acceptable to the people living in those unorganized areas and it was rejected.

We have spent some considerable time going back over that route and not wanting to fall into the same problems that TEIGA did or doing the same things that they did. We wanted to get an input from the unorganized areas to respond to their type of structure, I suppose one might say, and we think we have that in the Local Services Boards Act which will be introduced very very shortly. If the members will make way for me, I would be glad to get the legislation through this session if at all possible, if time will permit. I would be pleased to, really.

Mr. Laughren: Why not bring it in now?

Hon. Mr. Bernier: I think I will be bringing it in June 7 for introduction.

Mr. Laughren: Are you saying you have to wait for that?

Hon. Mr. Bernier: Yes, it goes to the final stages of preparation now with the legal people.

Mr. Laughren: No, I mean for that water supply. Do you have to wait for that?

Hon. Mr. Bernier: Yes, I want to address that problem. One of our problems is to be able to deal with an organized group in those unorganized areas. I can say to the honourable member, and I say it loudly and as clearly as I can, that Gogama has to be a priority with us because there is a health problem, and if there are other unorganized areas that are in that similar category where their water supply is being affected, then I think it's incumbent upon this ministry to pull out all stops once we get things in place, and I intend to do that.

Mr. Laughren: I will hold you to that.

Hon. Mr. Bernier: Yes, I do. I say that very sincerely, because when we are dealing with people I feel very upset that we have to wait this period of time to get this legislation but there is no other way of doing it. I think I wrote the honourable member just recently and indicated that to him. I know my colleague, the Minister of the Environment, is very concerned, as is the Minister of Natural Resources, because we have a problem here that because—

Mr. Laughren: The Minister of Health is not very happy with you. You know that,

don't you? He was very critical about Gogama.

Hon. Mr. Bernier: —of internal problems and our legal problems we can't move as effectively and quickly as we would like. I just want to say that we look at Gogama as a priority and we will look at it as quickly as we can and as quickly as we can put something into place. I want to make that commitment to the people in Gogama.

In connection with industrial diversification for northern Ontario, I am a little surprised at the short memory of the honourable member for Nickel Belt, because I can recall just a few months back—I guess it is less than a year ago—when all the members sitting on that side of the House were at a very important gathering in Sudbury—

Mr. Laughren: Talk about mining machinery.

Hon. Mr. Bernier: —wait a minute—the 2001 Conference established locally, local initiatives, local enthusiasm, support from the member's party, support from the labour unions, support from the community and the private sector, just a tremendous step forward for that particular community, funded very handsomely by my ministry to the tune of \$600,000, where they would look at themselves. Not only did we fund that study to that extent but we also have the regional municipality of Sudbury import substitution study, to develop a secondary manufacturing production and marketing strategy with the objective of—

Mr. Laughren: You have done enough studies, Leo.

Hon. Mr. Bernier: —making and marketing locally items that are presently imported into the northeastern Ontario region, thereby increasing local employment opportunities given to the local people, and what better way to approach that problem than to let the local people become involved?

Mr. Laughren: What a copout.

Hon. Mr. Bernier: It is not a copout. It's a sincerity on this part of the government. We are not going in there with a heavy hand. We have to have them with us. We have given them the resources to look at themselves, to look at what they can do to improve the economic well-being of that particular area. So when you see the financial assistance to the Sudbury 2001 committee, the import substitution study, and let me read into the record a number of other areas that we are working with—

Mr. Martel: Other studies?

Hon. Mr. Bernier: No, they are not studies at all; just listen. In Atikokan, the economic

development project we are doing there, the lead ministry concept, and I would ask the member to go to Atikokan and see what we are doing there. There's an attitude in Atikokan today that doesn't exist anywhere else in northern Ontario; a community that knows that its main employer is—

Mr. Laughren: Is winding down.

Hon. Mr. Bernier: Yes, is winding down. They know that; they have known it for 30 years. We are in there working side by side with them, and it is a treat. They are very complimentary of what this government is doing in Atikokan. That is the kind of approach that we are doing there.

In Geraldton, industrial land servicing.

Hornepayne: The member for Algoma knows what we are doing in that community. A \$12 million town hall concept—a joint provincial, private and federal government program; something that will make Hornepayne a real model in northern Ontario. I think the member for Algoma will agree with me. He was there at the sod turning ceremony, a very enlightening experience. The private sector, the public sector and the whole community are pulling together to develop a major civic centre that will be the model we may use in other communities in northern Ontario. We are looking at it very carefully to make sure that it does meet the needs of that part of northern Ontario and satisfies the unique needs of places like Hornepayne.

Mr. Laughren: Will it create jobs?

Hon. Mr. Bernier: It will, yes. The CNR—turn around and ask the member for Algoma what it will do for Hornepayne. It is just fantastic, really it is.

Kirkland Lake: The industrial land servicing at Kirkland Lake; an industrial development review for Kirkland Lake.

North Bay: Let's talk about what we are doing in North Bay. We signed a \$10 million Ontario DREE agreement that will see the development of a major industrial park at North Bay. I regret the member for Nipissing (Mr. Bolan) is not with us today. As the honourable members will recall—I just want to make a note of it on the record—the former Treasurer and I had been dealing with the federal government and the city of North Bay with regard to an Ontario DREE agreement in the amount of about \$14 million.

The present—is the Solicitor General or Attorney General that comes from North Bay?—Jean-Jacques Blais, a very senior man in the federal cabinet; at any rate, I felt with him being there that we could get a total package for North Bay, a \$14 million

package. It would have taken in the industrial park area, the development of the Marshall Avenue overpass, something that is really needed in North Bay. I must say the industrial development commissioner in North Bay has done one fantastic job in attracting small industry to his community. That has encouraged both levels of government to move in with this development.

But what happened? The federal government came back here and said: "Look, we are ready to go for a \$10 million package, not a \$14 million package. Somewhere down the road we will talk about the other \$4 million. We would like to get on with just the development of the industrial park, so we are prepared to sign a \$10 million package."

We looked at it very carefully and the big talk of cutbacks came to the fore. There was some concern that we might even lose the \$10 million package. I recall very vividly going to North Bay and meeting with the chamber of commerce and being literally roasted for my stand in wanting the whole loaf. They said, "Look, don't take the whole loaf; for God's sake take half the loaf. Let's get on with it." So we did—we went with the \$10 million package.

I went up to North Bay a couple of weeks ago. Believe it or not I got roasted again, because now they want us to go back and get the other \$4 million. I said, "If you had left us alone in the first place we would have had the whole package."

We have that kind of initiative and drive, and we are moving ahead. I just wanted to point that out to you and put it on the record, because the member for Nipissing was one who said, "Let's go for the \$10 million package." Today he is being criticized in his own home town for going for that small package when they could have gone for the whole works. Being a northerner, I guess, it is my attitude when you see that kind of possibility ahead we should go for the whole works, because God knows we need it.

Sault Ste. Marie: an industrial opportunities study, and an expansion of the present industrial park. You will recall that is where we had the by-election not too long ago, and there was some criticism I think levelled at us about lack of industrial land.

Mr. Laughren: But did you see the figures on the number of jobs related to the steel industry up there?

Hon. Mr. Bernier: But look what is happening in Sault Ste. Marie. Go to the industrial park and see what is happening to the funds that we are putting into Sault Ste. Marie, the new companies that are going in.

Mr. Wildman: A lot less secondary industry related to the steel industry than there is in Hamilton.

Hon. Mr. Bernier: I was taken on a tour and I was most impressed with the small factories being developed in the industrial park.

Mr. Laughren: When are we going to go on a northern tour?

[12:00]

Hon. Mr. Bernier: We will talk about that too.

Mr. Laughren: Tell us about mining machinery and about Sudbury.

Hon. Mr. Bernier: I mentioned Sudbury.

In Timmins, of course, the small business management study is going on there about the industrial land servicing in the tritown area. We have established the development commission on Manitoulin Island. This was all designed to attract secondary industry into northern Ontario, so to say we are not thinking or moving in that direction is not totally correct.

Further, in our discussions with the federal government on the Department of Regional Economic Expansion agreements we have the responsibility for northern Ontario, to make sure any DREE agreements clearly spell out any purchases or any consultation or any needs connected with that agreement are Canadian first. That is clearly spelled out in the agreement, just to make sure. The Ministry of Northern Affairs has insisted on that. As we sign more Ontario DREE agreements, we hope there is going to be that incentive to attract industry into northern Ontario.

Chapleau is an area, of course, that has always been very close to us here in the Ministry of Northern Affairs, obviously because the former deputy was very familiar with it and it was first and foremost in many of our discussions. We are very familiar with the problems of Chapleau. As the honourable member has correctly pointed out, there is no easy solution. There are differences of opinion in that community and within the present council related to the sawmill area.

Mr. Laughren: You are not doing anything about it.

Hon. Mr. Bernier: I have had discussions with the mayor—a very good mayor, I might say. He has some political aspirations that may give the member for Nickel Belt some concern. He has done great things for his community.

Mr. Laughren: One centre.

Hon. Mr. Bernier: The recreational centre is the most beautiful in northeastern Ontario.

There is the new town hall concept; and three major complexes have opened in one year.

Mr. Laughren: You will not talk about the Planer. You are embarrassed about it. You are as guilty as they are.

Hon. Mr. Bernier: I am not ashamed of it. We will resolve that problem. But let's look at the nice things happening in Chapleau.

Mr. Laughren: We are talking about a problem area and you won't do anything about it.

Hon. Mr. Bernier: We are doing things there. The combination home they have there, the senior citizens units where they have extended care and residential care, is a model in northern Ontario. I tip my hat to the people in Chapleau for what they have done. I just have a great belief in those people, who have that kind of imagination. That kind of initiative will solve that problem.

Mr. Laughren: You are not going to do anything.

Hon. Mr. Bernier: Let me finish. If we can help them, we will be there to help them in any way possible because there are going to be requirements for some resources. Let's be honest.

Mr. Laughren: There is going to be. They are not even in the town.

Hon. Mr. Bernier: I know. Even when they move into that particular area, the annexation—if that is what one wants to call it—will have problems associated with it. I do not have to tell you and I do not have to belabour the problems.

Mr. Laughren: I want to know what you are going to do and you are not telling me.

Hon. Mr. Bernier: The initiative has to come from the local community.

Mr. Laughren: Outside the community?

Hon. Mr. Bernier: It has to come from the local community to take them in.

Mr. Laughren: And if they don't want to annex it?

Hon. Mr. Bernier: They have to make application to the Ontario Municipal Board, as you well know. There is a certain route they have to go through.

Mr. Laughren: And if they don't do that?

Hon. Mr. Bernier: They have to. I cannot force a big hand on them and tell them to do it. We can hold certain carrots out; there will be certain assistance granted them. There will be a certain infrastructure required. We are prepared to look at that.

Mr. Laughren: Only if they join the town. Is that right?

Mr. Chairman: Order. Perhaps the honourable minister would address his remarks to the chair.

Hon. Mr. Bernier: The mayor is very much aware of our desire to see that area tidied up. I can tell the honourable member that when they move we will be there to assist them in every possible way.

Television in northern Ontario is an area of very serious concern to us in the Ministry of Northern Affairs. In fact, in this past throne speech there was a reference to our responsibility for improving television services in northern Ontario. We are awaiting the decision of the Canadian Radio-television and Telecommunications Commission as it relates to the hearings they had in Thunder Bay. In fact, we had been promised it would be down by December 31 of last year; then it was January 31; and now the candidates tell me it is going to be this week. It will likely be next week now, because of that great event occurring on May 22.

Mr. Laughren: Ed Broadbent day.

Hon. Mr. Bernier: I can assure the member, as I have assured many members in northern Ontario, that when that decision does come down we will be there, first and foremost, to make sure that the carrier, whoever he is, is assisted to a point, I suppose one might say in getting all of the jobs and in providing that type of recreation that many of us in southern Ontario just take for granted.

I might say to the honourable member that there are certain things occurring in northern Ontario with regard to television that are very encouraging. In Dryden just last week one of the local cable operators used his ingenuity to purchase one of those "dishes" and aimed it at the satellite. One Sunday afternoon he turned it on and was receiving TV signals from Atlanta, Georgia. Absolutely beautiful!

Mr. Wildman: Was it legal?

Hon. Mr. Bernier: No, it is not. I understand. It is something that is not totally acceptable to the Canadian Radio-television and Telecommunications Commission. Nevertheless, the people in the Dryden area are elated with the quality of cable television they are getting from Atlanta, Georgia. I am told that there are eight or nine channels they can also pull in. That may be an answer for places like Chapleau.

Mr. Wildman: The feds are doing that in Saskatchewan, but they don't do it in Ontario.

Hon. Mr. Bernier: There are a couple of areas in northern Ontario where they will be

doing something to bring television off the satellite. We are as anxious as the member is to get on with improving television services in northern Ontario.

Mr. Laughren: I raised three issues with the minister. One was the problem of the water supply in Gogama. The second was the question of developing a mining machinery complex in the Sudbury area to replace the 91 per cent of imports that meet our domestic demands. The third was the problem of The Planer area in Chapleau. On all three questions, the minister has said that we are not going to change the fact that we are doing nothing about it.

He said he has to wait for the legislation for the Gogama situation. He totally ignored the question of the mining machinery complex for the Sudbury basin and didn't even comment on it, which indicates to me that either he doesn't understand or doesn't have the courage to take on the Treasurer and the Minister of Industry and Tourism in using the Employment Development Fund for that purpose. On The Planer area, he said blatantly that those people can do it on their own. Unless the town brings in The Planer area he is not going to do anything about it. That is a dismal response to very serious problems.

Hon. Mr. Bernier: It is totally wrong that the member should take that attitude. On this side of the House we put our money where our mouth is.

Mr. Laughren: What about those three issues?

Hon. Mr. Bernier: We've looked at them. You've pointed them out to us. Read the record and you will see what we're doing. You're part of the 2001 Conference.

Mr. Laughren: I'm not talking about that. I'm talking about the mining machinery.

Hon. Mr. Bernier: I know, but wait a minute; the initiative should come from there. We'll give them the resources. On this side of the House we're not going to force people to do things. We encourage them and assist them. The initiative must come from that section.

Mr. Laughren: Put on a clown suit and come to the north.

Hon. Mr. Bernier: We will be doing things. There is more advancement in this field than there has ever been before.

Mr. Chairman: The member for Essex North.

Mr. Wildman: He's got "north" in his name.

Mr. Ruston: That's right. The word "north"

is in my riding, so I should have a right to ask some questions about the north.

Last Friday on the way home I was listening to CBC radio. The speaker was an expert on nuclear waste. One of the questions raised was the problem of mining tailings at Elliot Lake. It was a phone-in program and on the line was an engineer or physicist with Atomic Energy of Canada Limited. If I remember correctly, I got the impression that he said they have never really addressed themselves completely to cleaning up the tailings from the Elliot Lake area.

In what way are you getting involved in this to protect the people of that area by seeing that this is taken care of? The Atomic Energy Control Board is the control agency and if it is not taking an active interest in this don't you think you should get involved in the matter in some way?

Hon. Mr. Bernier: Mr. Chairman, that area is being addressed. There is considerable concern in the provincial Ministry of the Environment. But, as the member correctly points out, Atomic Energy of Canada Limited has the overall responsibility as it relates to uranium. They have been doing some very extensive studies in the Elliot Lake area to lower the radiation count in the residential areas. I understand—I'm not totally sure on this—they've designed a type of basement where the air moves underneath the basement and the air flow there reduces the radiation count.

They are actively involved in holding public hearings and doing some very extensive studies. I believe they will be moving ahead with regard to the required residential developments that are needed in the Elliot Lake area.

Mr. Martel: Mr. Chairman, I listen to the minister talk about all the wonderful things we're doing for northern Ontario, and I'm amazed. I am absolutely amazed. If he's the new guru of grunts, we don't need it.

According to the minister there are no problems. The minister talks in such grandiose terms of what's going on. Apparently, he doesn't see the northern Ontario I do—I get down to the ground; maybe he flies too high. Maybe he should get down to the ground.

The minister talked about studies this morning and what he was doing here, there and everywhere—everything's rosy—and he ignored the problems raised by my colleague. I'm going to talk about Capreol, and I'm going to talk about Sudbury, and I'm going to talk about Falconbridge. And in each instance the minister will back off.

When the bill creating this ministry was first introduced I moved a number of amend-

ments. One in particular was to establish a fund so that when communities faced problems as a result of mining companies deciding to get up and leave, we would have an alternative. The government voted it down; the Liberals voted against it.

We've got a municipality called Capreol. The minister knows Capreol—my home town. A mining company has been there for 20 years; it only made \$6.5 million last year. They're leaving, for two years. They're getting up and they're walking out. But, two years from now they're going to say, "Yoo-hoo, we're back. Put in some more additions to the schools. Put in another subdivision in the town. Create some more problems. We've got a 15-year life expectancy. You, the people of Capreol, pay the shot.

"When the going is good, we, the mining company from the United States, we reap the benefits. If it gets tough a little bit, we pack up our bongo balls and go home; and we say to the residents of the town of Capreol, 'You pick up the tab'."

The same thing happened with respect to Mother Inco two years ago because we have no policy that regulates production, that says they can't stockpile for 13 months and then just decimate the community. Inco has reduced its work force from 19,000 to 11,000 in seven years. And they produce more today than they did seven years ago.

What have we got for policy? What's emanating from this ministry? Is the minister saying he will no longer tolerate massive stockpiling and then see tremendous chaos in an area? No way.

It's interesting. Read the article written by Val Ross for Canadian Business, May 1979; she indicates the arrogance—in fact, it's titled, *The Arrogance of Inco*.

[12:15]

Who protects the Sudbury basin? Who protects the municipality of Capreol and the taxpayers? The Premier established a committee. For two weeks I've been trying to get from the Treasurer (Mr. F. S. Miller) and the Premier what short-term and long-term policy your government has because that was the purpose of that committee—of which you should have been chairman as you have that responsibility. But they made the Treasurer the chairman. In fact, the other day when I asked him the question he didn't even know who the new chairman was. He assumed it was the new Minister of Natural Resources (Mr. Auld).

I want to tell you that you didn't meet and you didn't do a damn thing with respect to policies. You didn't develop one. That's why the Premier fudges it and that's why the

Treasurer fudges it because you've got no policy. You can talk about 2001. I was at that great meeting.

Hon. Mr. Bernier: Supporting it.

Mr. Martel: Yes, supporting it and hoping, like all northerners, that some day we'd have some courage to do something.

Do you think the \$600,000 you gave for seed money will ever resolve the problems of a layoff like that at Inco? There were 2,400 in the mine alone and Falconbridge had 750. Take into consideration what that does in the other industries. There is a layoff of 5,000 people. You tell me that 2001 is going to be able to overcome that type of problem? That's wishful thinking with \$600,000 in seed money to get started.

Let's get realistic. You helped to launch that. They will have some successes hopefully, but with the type of massive layoffs that occur when a whole industry shuts down or lays off or wipes out a community, they haven't got the fiscal capability to overcome that problem. You and I know it. Why don't you admit it?

My colleague the member for Nickel Belt said, "Let's talk about the development of a mining equipment capacity because we import 91 per cent." We have a trade deficit of \$1.61 billion annually in mining equipment in this country. Outside of Jarvis Clark who is a pretty initiatory sort of guy, we do virtually little in terms of heavy equipment in Canada. If the government wanted to get serious, there was a select committee chaired by the former Speaker the member for Northumberland (Mr. Rowe), who sits behind you and is in his seat at the present time. In 1974 that select committee said: "Mining equipment is such a natural for Canada that if the private sector doesn't want to do it, government should become involved."

Let me tell you why. We import more mining equipment than any other country in the world and yet we are the third largest producer of mineral wealth in the world. We import more than anyone else. We have an economy large enough internally to develop that sector. We could also have incentives for mining companies in Canada which bought from this company, hopefully private, but encouraged and pushed and what not by government to get it going. We could give them a tax incentive to buy Canadian equipment. We could do a number of things. We have the base and we have the resources, but we don't have the will.

When my colleague tries to raise it with you, you start to read a litany of towns and municipalities where you have put in industrial sites. That's great. We have three

industrial sites in Sudbury, but the type of economy we have in Sudbury isn't the same as in North Bay. You can't put small plants like that there because they can't compete. What you've got to do is get a type of sector that in monetary terms can compete with what the other companies are paying, and where would that be but in mining.

I also remind you we have a university that's now moved to a four-year course in mining. We have a community college that has mining courses. When my colleague tries to talk to you about it, you talk about everything else in the world but that.

The minister talks about Chapleau. Great. He talks about what he did in North Bay, and that's good, but he can't get serious about this. His only response is, "We put \$600,000 into 2001," but he doesn't want to deal with the problem. Don't tell me about studies. The chamber of commerce wrote a report, and what was one of the things it was advocating? The developing of mining equipment.

Then there was a second select committee, I remind the minister, just last year. The select committee on Inco—and there were nine Tories on that committee—recommended the production of mining equipment. What have we done? What have we even done to try to look at it? We have had two select committee reports. The Premier established a committee 18 months ago to look into the long-term solutions, and he stands there this morning and says, "We have to make the climate economically good so the mining companies will proceed."

I don't want the mining companies to just rip it out faster, to take more out. I want something developed for northern Ontario that goes beyond extraction. Will Tories ever learn that? It isn't merely extraction we want so we can send it to Clydach to be refined, so we can send it to Huntington, so we can send it to Norway to be refined and processed into some finished commodity. We want to do it ourselves. We want jobs for our young people, we want a tax return, we want jobs for women in northern Ontario.

Will this government ever understand it? It isn't just an economic climate for more mining. That's nuts. How many more times do they have to be told? We have heard the same answer for the 12 years that I've been here.

We have heard about planning. On northeastern Ontario alone how many studies have been done? Since 1958, I think there have been 12. They are coming out our ears. I think it is because you are defeated on it. The former Treasurer, in the last provincial

election, said, "We won't have secondary industry in northeastern Ontario for 20 more years." That's what McKeough said.

My colleague tries to get serious and talk about one of the areas we could excel in. We have the universities and we have the technical skills and we have the people and we have the resources; what we need is a government that says, "Wait a minute, we are going to start to pull it together, not as a crown corporation; we are going to start to pull the people in, we are going to start to try to talk industry into developing it."

Lord knows, since before the turn of the century in Sudbury we have had the opportunity if someone was going to go in and develop it on their own. They haven't. What do we do then? Just throw our hands up in the air and say, "Too bad"? We can have a trade deficit, we can import our equipment, we can do a whole series of things, and nothing changes in northern Ontario.

I wish we wouldn't paint it in such rosy terms. I wish we could get serious. I wish we could find out why there is a declining population in northern Ontario. We know why—there are no jobs. The mining companies are not exploring.

I remember the minister when he was Minister of Natural Resources saying the reason there is no exploration is because they are afraid of the socialists, they are afraid of what Barrett is doing and what Blakeney is doing in Saskatchewan. Let me tell the minister how much exploration is going on in Saskatchewan this year: \$80 million; \$45 million by the private sector, \$35 million by the government.

In Ontario last year it was \$28 million. The Tories can use all the red herrings they want, but isn't it strange that there is \$80 million? What they are trying to do is develop, not only the resource sector with regulations on production and with some crown companies; they are moving. What are we doing for northern Ontario? That's the first thing I want to deal with very briefly.

Secondly, I want to deal with something the minister should be doing. He and I have discussed it. I'm getting increasingly frustrated with his colleague, the Minister of Housing (Mr. Bennett), who in fact continues to allow further development in unorganized community after unorganized community. Again, there is no policy of what we do with unorganized communities and we continue to allow them to develop. There's something nuts about that because for every one of those we allow to continue to develop, we have the problems my colleague representing Chapleau spoke about this morning.

Just outside the boundaries of an established community, an unorganized community is developed. You and I know, because we've talked about it, that to provide services for those unorganized communities for which a bill is going to be brought in, is going to cost us in the long run, an arm and a leg. We have no policy. I have been pushing your friend, the Minister of Housing, for some time.

It's interesting that in Sudbury the Minister of Housing a couple of years ago took a fellow in an unorganized community to court. They were successful in the prosecution against the fellow, because he built without permission. He built knowing he couldn't. My colleague, who is a lawyer, is going to appreciate this. The man was convicted, he was fined and he went back and sold the house to the next comer.

By the way, Hydro would not allow power to be connected to that house, so the fellow who had six children was forced to sell the house to try and recoup his money because he wasn't going to get power. Housing said, "No, you're not getting power," and they instructed Hydro not to connect it. Well, my friend sold the house. I learned three weeks ago the Ontario Minister of Housing had recanted and said Hydro could go in and hook up power for the new fellow.

Tell me, how am I supposed to support the concept of preventing this sprawl when that occurs? I don't know in law what that means, but the ministry itself took someone to court, obtained a conviction, a fine, and then the next fellow is allowed to buy the house. He then is allowed to get power from Hydro.

Mr. Wildman: The fine is a building permit.

Mr. Martel: I want to tell the minister I've been trying, as my colleague knows, for not months but years, to get some type of plan so we do not allow people to go and simply buy land somewhere. First thing you know, four or five houses spring up. Talk about costs—when those four or five houses spring up, we have to send in a school bus, we have to look after the roads and the minister knows the local roads board tax is minuscule. Who is picking up the costs?

It doesn't do anyone any good, but as long as land is allowed to be sold, people are going to demand the right to build in all kinds of areas. The cost, as the minister knows, is astronomical. We're trying to undo what was done in the regional municipality of Sudbury. If one looks at Broder, an area I represented when I first came in and which I still represent, across the street from the city of Sudbury, the cost to put in services for those 4,000 people is going to be horrendous.

I would hope we have learned our lesson and that we will prevent this. Your ministry must take the lead because I'm sorry but Mr. Bennett doesn't know what he is doing in this field. He simply doesn't know what he is doing and you must take the lead as a northerner, one who understands the problems of the unorganized communities, one who talked about them in Chapleau and in Gogama, and who has them in his own riding.

[12:30]

We've got to get serious about that problem. Otherwise we are always going to be moving in to pick up the tab, which is a lot more costly when it is not planned than is the case if it is planned. We have to have a plan, Mr. Minister. I have been saying that for years around here and you haven't moved on that either. I guess that is what frustrates me when you get up to speak in glowing terms. When you introduced the bill creating your ministry, I said there were two basic problems: one was secondary industry and the whole economic sector. Our party moved that more funds could be made available to do things when something went belly up. We don't even have policy when it doesn't go belly up.

In the case of Capreol, when the American parent company decides that they need to cut and the American government intervenes and says, "We will pay you to mine out another mine," Capreol gets shut down. It isn't improving the economic situation at all. It is buoyant for National Steel Corporation, which happens to be managed by Hanna Mining Company. Between the two of them, I think they turn out something like 35 million tons a year.

The economic sector was one problem and the second was the unorganized communities. You talk as if everything is glowing and yet we have not resolved the problems of the mining corporations and we are not even doing the exploration that's necessary, nor do we have the manufacturing or the resources to develop the manufacturing. In fact, we have tax laws that hinder the proper development of the north—I'm talking about the write-offs of the off-shore developments against the Ontario tax.

We haven't even started to deal with the problem of the unorganized communities. I remember Bill 102. I remember when it went down the drain. I am delighted the minister is talking about local boards now. When his bill was moved and I moved amendments, one of them called for community councils which would have exactly the authority that's going to come in under

this bill. The one I proposed was simply to have one group responsible for the funding that would go into the area so you would be able to pass money on through.

Thank God you have moved in that direction. It has taken two more years, but it's a move, but we haven't started to resolve the problem because we are not getting into the overall planning. We can start to put on Band-Aids and try to help those who are already there that are unorganized but we are not even starting to deal with allowing the continuation of this to occur.

I tell the minister that in the Sudbury district last year, there were 100 applications to the Ministry of Housing, through the Ministry of Natural Resources, for people to winterize their cottages or to build beyond the boundaries of the organized municipalities. What does that tell us? They are still trying to get out to where it is unorganized. So we haven't dealt with that problem seriously.

We haven't really started to get serious about the economic problems confronting northern Ontario because we are not doing the exploration. We certainly have not moved in any way to assist the orderly development of the manufacturing sector. We can help with DREE to some extent. We can get agreements to locate industrial sites—we have three industrial sites in Sudbury and they have services—but we have never tackled freight rates. The Economic Council of Canada says this is the most serious deterrent to the development of manufacturing in northern Ontario. This is the highest freight rate rate zone in Canada. We haven't got serious about that.

I always am amazed at northerners. In the federal House out of our 14 members, 11 of them are on the government side. I have yet to hear one make a speech on reducing freight rates in northern Ontario, yet the Economic Council of Canada says the single largest deterrent to economic development is freight rates. It always amazes me.

You have to start to tie all that together, Mr. Minister. When we moved the amendments to the bill creating your ministry, you will recall that we moved in total six amendments. Three dealt with unorganized communities and three dealt with the economic sector. I had hoped that this ministry would get that sort of mandate to really move in to help the co-ordinated development of northern Ontario. We might piecemeal it a little bit, but you haven't got the mandate and unfortunately the line ministries really don't get serious about it.

The Minister of Housing hasn't got a clue of what is going on in the unorganized communities in northern Ontario. It is evident from the letters I write to him that there is just nothing there. As for the manufacturing sector, McKeough summed it all up a couple of years ago when he said it isn't going to occur. I would like to know what you intend to do in those areas. Let's not get off on a tangent; let's deal with both of those.

Hon. Mr. Bernier: If I could deal with the last item first, I was just a little confused when the honourable member talked about doing something about freight rates. I couldn't help but recall the efforts of my colleague, the Minister of Transportation and Communications (Mr. Snow), trying to deregulate the trucking industry. The trucking industry was something that we supported wholeheartedly. We wanted it, and we assisted him in tackling that problem. But who opposed it?

Mr. Wildman: We told him we'd agree to taking out the North Bay restriction but he wouldn't bring it back in.

Mr. Martel: Right in your own caucus you couldn't get solidarity.

Hon. Mr. Bernier: Those gentlemen right there who today are trying to chastise us. I find it very humorous really. It's that old thing about trying to suck and whistle at the same time. You can't have it both ways. Join us in some of our efforts we are making for northern Ontario. It wasn't a big step, I will admit that, but at least it was a step in the right direction, where we could improve and get more competition in the trucking business for northern Ontario that would hopefully lower freight rates.

Mr. Wildman: That bill really dealt with southern Ontario.

Hon. Mr. Bernier: I agree with the honourable member when he says freight rates are the key to development of northern Ontario. My God, just look at what would have happened out in western Canada, if it hadn't been for the Crow's Nest Pass agreement and all the benefits that that has brought western Canada over the years. They won't change that formula—there is no question about that—because of all the political ramifications that would occur. That is what developed western Canada. It is that same attitude that must be used with regard to freight rates if we are going to do something for northern Ontario. I have said this many times, and I will keep on saying it because I firmly believe that to be the case.

The honourable member knows—and I think the Premier made it very clear today—with regard to secondary manufacturing in northern Ontario, the investment climate has to be right. This government is moving in that direction to make sure that the investment climate is improved so that we do get the private sector involved. Along with that, he talked about the \$200 million in economic development funds and DREE. In fact, it has been the initiative and the aggressiveness of the present Treasurer and this Ministry of Northern Affairs that have now achieved about \$240 million worth of Ontario DREE agreements in the last year, the highest in history, solely for northern Ontario.

Sure, there are problems in the Sudbury area, and I just want to make it clear that your group does not have a corner on the concerns for people in the Sudbury area. You don't have a corner on that. We are as concerned as you are about those people who are laid off and those people who are on strike. This party is very concerned and we have shown that.

We have shown our concern about Capreol. The member went down with my colleague, the Minister of Labour (Mr. Elgie), to deal with that particular problem.

He knows how difficult it is, without getting in with the big stick and doing it ourselves, which this party philosophically will not do. You may want to go that route; that is your decision. But it is not our political philosophy to use that heavy-handed attitude. We believe the route of encouragement is to improve the investment climate and get the private sector involved.

That is the strength of this country. That is where jobs are going to be created in the long term, and not by putting the burden on the taxpayer you keep referring to. You keep referring to the burden on the taxpayer, but I will tell you that if you go your route you will ruin the economy not only in this province, which is the key province in Canada, but of Canada as a whole.

Mr. Wildman: Saskatchewan has the lowest unemployment rate in Canada.

Hon. Mr. Bernier: You saw what happened in BC, you saw what happened in Manitoba, you saw what happened in Britain and you saw what happened in Australia. Even Sweden is turning around. So the honourable member just cannot sell that here, as much as he tries. I have heard that philosophy for 12 years, he is quite right, that gloom and doom.

I must say, when I first came here—I was elected in a by-election in 1966—my wife used to come down with me all the time and sit in the Legislature. I spent hours in here and I used to listen to the other side, particularly the honourable member's party. I used to stay down here for two or three weeks at a time because I used to have to go back and forth by train. I used to go home to our room at the hotel and I would say to my wife; "Marj, my God, things are really bad in northern Ontario."

Mr. Havrot: Especially in Sudbury.

Hon. Mr. Bernier: "I have only been gone three or four weeks and they are just collapsing. Everything is terrible up there." But when I went back to northern Ontario the quality of life was there. The people were content that things were being done. Sure, we are going to do more. As a northerner I will never be satisfied, I admit that. But the attitudes being expressed here and what is happening out there are entirely different. I assure you they are entirely different. They are opposite in some cases.

Mr. McClellan: Everything is fine in Sudbury, is it?

Hon. Mr. Bernier: The honourable member expresses a concern, and I am equally concerned about keeping young people in northern Ontario. Four of my children have left northwestern Ontario.

Mr. Martel: Why?

Hon. Mr. Bernier: Because they wanted to go out to western Canada.

Mr. Martel: Because there are no jobs.

Hon. Mr. Bernier: They had jobs.

Mr. Martel: There are no jobs.

Hon. Mr. Bernier: I am concerned as the honourable member. We are moving in that direction. What I spelled out in answer to the member for Nickel Belt, is a clear indication that we in the Ministry of Northern Affairs are embarking and have already embarked on an answer to the local responses. I think that is very important; not to use the heavy hand of government and the big resources we have down here, but to get the local people involved and to improve the climate to give them the resources to do it themselves. That is the route we are going to go and keep on going.

With regard to the honourable member's comments on housing and planning, sure, there has to be a certain amount of planning. I agree with that and that is moving in. There are planning boards being established all across northern Ontario. I am not a great advocator of a lot of government regulations

and controls. Northerners do not want that. The quality of life that northerners want, they do not want levels and levels of bureaucracy. They do not want that. That was clearly spelled out to us when we took the Local Services Boards Act across northern Ontario. They want as little government regulation and control as possible. They want to be free to live that lifestyle that they have there.

We will come to grips with these problems. They are there and we recognize them. I think that is the main thing, as long as we recognize them and move in that particular direction. So while the honourable member can cry of great things that are not being done, on the other side of the ledger I think he fails to see the other things that are being done in a very aggressive way, in a very responsive way, in step with the local people—that is important—in co-operation with them. We have seen this in many communities.

They used to say that Geraldton—the typical example—was going to be a ghost town. Go to Geraldton today and see that community. That community has actually grown. In fact, the infrastructure in that community today is finer than it has ever been in its history. The mayor up there is elated with what has happened in his particular community, a community that was once dependent on the non-renewable resources in that particular area. The economy has shifted, it has changed. Geraldton is there and there will always be a Geraldton. There will always be an Atikokan. I do not have those fears. Sure, there have to be some adjustments and some adjustments in attitudes. This is being done, as we are seeing in Atikokan today.

Pickle Lake is another example of what can be done and what is being done. While there are concerns, there are concerns on our side too. The honourable member may think he has the answers to all those problems; I confess I do not. I say that as sincerely as I can: I do not have the answers to all those problems. But I can tell the honourable member, by God, we are working on them.

Mr. Martel: The minister may say he is working on them. How many of his children have left northern Ontario?

Hon. Mr. Bernier: Four.

Mr. Martel: Why?

Hon. Mr. Bernier: They married.

[12:45]

Mr. Martel: Why do they have to leave northern Ontario? Why is it that if one goes around Toronto one can find more young people from northern Ontario? Because the jobs aren't there, apart from extracting.

There is the Robert report from Laurentian University which indicates that anybody who gets beyond grade 12 will not go into mining. Those people are here; the minister knows it and the member for Timiskaming certainly knows it. They are here because there are no jobs in northern Ontario.

Mr. Havrot: They want to come down here.

Mr. Martel: Which of my colleagues who spoke today has said, "use a heavy hand"? We have asked the minister to talk to us about mining equipment, and I said he would ignore it. He ignored it when my colleague raised the issue; he ignored it when I raised it. I remind him that there were two select committees, one chaired by the former Speaker, and the other chaired by the former Minister of Consumer and Commercial Relations. Both committees recommended the production of mining equipment.

I tried briefly to explain why that would be viable in northern Ontario. The private sector has not, in all of its years, decided to produce mining equipment in Canada. The minister totally ignored it.

Mr. Havrot: They're building a plant in Kirkland Lake.

Mr. Martel: I hope so.

Mr. Havrot: They already have a mining equipment manufacturing plant.

Mr. Martel: They are producing scoop trams, are they? They are producing all the drills, all of which are imported into Canada? There's a trade deficit of \$1.6 billion annually—

Mr. Havrot: Never mind statistics.

Mr. Martel: And you tell me. "Never mind statistics." That's the type of mentality we have to deal with from that side of the House. If there is a place we could move in—and I said it didn't have to be government; I said if government could take the lead, bring people together, put up some of the cash—to try to get it established. We've got the resources; we've got the university, the community colleges; we've got the testing beds right there in all of the mines. We've certainly got a large enough economy internally, let alone what we could do in terms of export. And the two of us who have raised the question can't get a response.

Mr. Havrot: Why don't you get some of your socialist friends to finance and build a plant?

Mr. Martel: Why don't you go outside and grunt?

Mr. Havrot: Oh, dry up yourself. You're a groaner yourself. You're a "poor-mouther,"

that's all you are. You've destroyed the north with your "poor-mouthing."

Mr. Martel: Jibber-jabbering like a chimpanzee over there. If you want to get in on the debate, get in. If you don't want to get in, if you just want to be the continuous "guru of grunt," that's fine. If that's your maiden speech—

Mr. Wildman: You're a great one to talk, Havrot, about what you say in the north.

Mr. Havrot: Who closed up the mine in my area? Three hundred and fifty jobs lost. Don't hand me that stuff.

Mr. Martel: The member for Timiskaming should read what the Treasurer (Mr. F. S. Miller) said about that. I watched your television ads last time, brother. "We closed up Matachewan."

Mr. Deputy Chairman: A little order, please.

Mr. Martel: I'm not sure, Mr. Chairman, which one of us has the floor; me or the member for Timiskaming.

Mr. Deputy Chairman: The member for Sudbury East has the floor. Will the other members of this House please refrain from interrupting the member for Sudbury East.

Mr. Martel: To get back to it, will the minister tell me what's wrong with a proposal to produce mining equipment? The private sector hasn't got involved; yet we import and we import and we import. Why don't we get serious about it? Two select committees looked at it; two select committees recommended it. They weren't loaded with New Democrats. I remind members that on one there were seven Conservatives and only two New Democrats; on the other one there were nine Conservatives. If the minister's colleagues who had looked at the issue didn't think it would wash, would they have put it in a report?

The government has never got serious about it. He stands there with platitudes and says "the heavy hand." That's a lot of nonsense. The minister said they won three seats back because northerners like it. It was because the Liberals didn't run anybody. They didn't run anybody in Timiskaming, and they didn't run anybody in Cochrane South, for God's sake.

Hon. Mr. Bernier: I didn't mention that. The member mentioned that.

Mr. Martel: There was that old fellow that the Liberals imported into Timiskaming.

Mr. Wildman: A 75-year-old man into Havrot country.

Mr. Martel: —two weeks before the election. And you still only won by 600 votes.

Mr. Havrot: That's all right. We'll win it by 6,000 next time.

Mr. Deputy Chairman: Could we turn to vote 701, item 1, main office?

Mr. Martel: The minister talks about heavy-handedness and the quality of life. Tell me why if the quality of life is so good—and it is, in many ways—do our young people have to leave? Answer that—and don't tell me it's because they want to. It's because they have to, if they're going to get meaningful employment. The minister knows it and I know it. He has never resolved the problem, and he's had how many studies? The final one came out in response to—

Interjections.

Mr. Martel: Not my friends. The chamber of commerce aren't my friends. Remember their report called *A Profile in Failure*?

Hon. Mr. Bernier: The same group which wanted the 2001 funding?

Mr. Martel: No. They wrote the report. I didn't write that report, Mr. Minister. They wrote a document in response to the government's study on northeastern Ontario and they entitled it *A Profile in Failure*.

Mr. Worton: Elie, the chamber loves you too.

Mr. Martel: You want to believe it. Let me come back to that—

Hon. Mr. Bernier: It's all oriented to Sudbury.

Mr. Martel: That was not true. No, it's not.

Hon. Mr. Bernier: It is. John Rhodes took them to task. I was there.

Mr. Martel: We're taking everybody to task, except the minister won't respond to areas where in fact he knows the weaknesses are. He can stand there and dispute that his children left because they wanted to go to Alberta. I suspect, like most of the young people from northern Ontario, unless they want to go into mining, there are very few jobs if they're not in the professions.

Hon. Mr. Bernier: What about the pulp and paper industry?

Mr. Martel: That's extractive. What about manufacturing, that they might want to go into? Where would they get into manufacturing in northern Ontario? There's some, extremely limited. That's what we want to talk about. That's why I linked it to trucking—which reminds me, before I forget, Oliver Korpela from Chapleau, the minister's friend, he put in that article the minister referred to. The New Democrats, with a few misguided Liberals, he said, didn't want to allow the bill to come in.

Hon. Mr. Bernier: Because he knows he doesn't have support.

Mr. Martel: There were two bills last year on transportation. I'm responding directly to the minister, Mr. Chairman. The first one died after second reading. The minister himself did not want to deregulate. My colleague, our critic, sat on more than one platform with the Liberal critic and the Minister of Transportation and Communications (Mr. Snow) on this very topic. The minister wasn't in favour of deregulation. He's even now only moved to limited deregulation.

The Tories can go across northern Ontario and play that game. The first bill got first reading. On May 2, the minister withdrew that bill and introduced Bill 78. There was only one thing we said, that section dealing with the North Bay restriction—the rest was okay—we differed on that. That was the only part. Do you know where the real problem was? Internally, over there.

Hon. Mr. Bernier: No.

Mr. Martel: Oh yes, it was. Internally, there was a dispute between Mr. McKeough and the Minister of Transportation and Communications. The minister can shake his head all he wants. He never even brought the bill back for second reading.

Hon. Mr. Bernier: Were you on that select committee?

Mr. Martel: No, but they opposed the deregulation—

Mr. Wildman: That's right.

Mr. Martel: —and the minister's Tory colleagues signed the bill. It was a unanimously endorsed report.

Hon. Mr. Bernier: Why are you against deregulation?

Mr. Martel: I'm not here to answer why I'm against deregulation. You are the ones who said I was trying to have it both ways.

Hon. Mr. Bernier: Tell us why? You know why and I know why.

Mr. Martel: Don't throw a red herring in. The minister is the guy who said we were the ones who prevented dear old Jimmy from getting his way. That's a lot of nonsense and the minister knows it and I know it.

Hon. Mr. Bernier: You know why you are against it.

Mr. Martel: Our friends in the union?

Hon. Mr. Bernier: I didn't say it. You know exactly why.

Mr. Martel: I can't believe it. I think the head of the Teamsters—what's his name, the senator? He's a Liberal. The senator from

BC, who's head of the truckers; Lawson is his name, I think.

Mr. Worton: I don't know many senators.

Mr. Martel: You're lucky. So don't blame the deregulation on us. We understand what the problems are in northern Ontario. Nowhere in the resource sector are we talking about a little bit of a heavy stick. I would I'd use a heavy stick in the mining sector. I wouldn't allow them to overproduce and then lay off, because we know who picks up the tab—the government. When Inco lay off 2,400 men the workers suffer, the communities suffer and the government of Ontario and the government of Canada pick up the tab. The mining companies don't pay. When they lay off 250 men in Capreol the guys who have to leave will lose \$10,000 on their homes. There are 140 homeowners.

This government will eventually, I suspect, either through the region or something, have to assist that municipality which provided those services which the municipality is now unable to pay for because of the loss of revenue. Who picks up the tab? Don't tell me about the heavy stick. In the final analysis, who picks it up? Is it the mining companies or is it the people of Canada, the people of Ontario and the people of Sudbury?

We allow it to happen over and over. The pattern is there. As a northerner, you know it and I know it. What's even worse, in the case of National Steel Car Corporation Limited, they want to come back in two years from now. What's vicious about Inco is they produce in excess—read the articles, know what's going on—13 months in advance, and then they put the community through the wringer. They really put it through it. That's why you had to move in with 2001 funding. Again, I ask you, who is picking up the tab? Who will? Will it be Inco?

You can tell me I'm heavy-handed but I know who picks it up every time.

Mr. Havrot: You're not heavy-handed, you're heavy-tongued.

Mr. Wildman: Inco's heavy-handed.

Mr. Martel: My colleague puts his finger right on it. The company is heavy-handed. They're much tougher than you are, and they know it.

Talk to your colleagues in the cabinet about Inco and its conduct. They too shake their heads about some of the things that company does. Not very often do you say to them: "We've had enough. We've had enough of your nonsense. You will act like a good corporate citizen." That's not the way you fellows talk. You don't even say that to them, do you? You let them overproduce.

They've done it every time there are going to be negotiations. They've had a stockpile. They've had huge inventories. I want to tell you, don't come to me and tell me that it's our fault on deregulation, and that youngsters are leaving because they want to go somewhere else. You and I know every youngster who could get a decent job in northern Ontario would go back. He'd go back to the north. I suspect you know it from talking to, as I have, hundreds of youngsters. They would go back north if the opportunities were there.

I've heard it said over and over again. Given an opportunity to go back those people in Toronto who are from northern Ontario would head back north immediately. That's what we're asking you to grapple with. Don't come giving us red herrings about heavy-handedness. Tell me what you want to do. Let's look to the areas where we can develop so those people can go back home.

Mr. Havrot: You'd make a great babysitter, Elie; you tell good bedtime stories.

Mr. Martel: Why don't you go home?

Mr. Havrot: I will go home.

Mr. Wildman: Do you have a home?

On motion by Hon. Mr. Bernier, the committee of supply reported progress.

ROYAL ASSENT

Mr. Deputy Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 22, An Act to amend the Ministry of Consumer and Commercial Relations Act.

Bill 31, An Act to amend the Ontario Municipal Employees Retirement System Act.

Bill 47, An Act to repeal the Succession Duty Act.

Bill 48, An Act to repeal the Gift Tax Act, 1972.

Bill 49, An Act respecting Small Business Development Corporations.

Bill 50, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Bill 51, An Act to amend the Financial Administration Act.

Bill 54, An Act to amend the Motor Vehicle Fuel Tax Act.

Bill 57, An Act to amend the Land Transfer Tax Act, 1974.

Bill 58, An Act to amend the Retail Sales Tax Act.

Bill 59, An Act to amend the Corporations Tax Act, 1972.

Bill 72, An Act to amend the Theatres Act.

Bill 73, An Act to amend the Prearranged Funeral Services Act.

Bill Pr4, An Act respecting the Financing of the Huronia District Hospital.

Bill Pr6, An Act respecting the Village of Cookstown.

The House adjourned at 1 p.m.

APPENDIX

(See page 2094)

ANSWERS TO QUESTIONS
ON NOTICE PAPER

HOSPITAL BED ALLOCATIONS

15. Mr. Breagh: Will the minister inform the Legislature of: 1. How many active-treatment hospital beds will be cut across Ontario in 1979-80 as a result of his proposed new bed ratios? 2. How many of Ontario's hospital centres currently meet the new bed ratios without cutting any beds? 3. What are the names of these centres? Will he also provide his projected figures for the number of active-treatment beds to be cut in 1980-81 and 1981-82? [Tabled March 7, 1979.]

Hon. Mr. Timbrell: Our response to the above question reads as follows:

1. In developing the hospital budget allocation methodology it was decided to use a planning guide for active-treatment beds for Ontario of four per thousand in the south or 4.5 per thousand in the north. Using this methodology there was identified approximately 890 surplus active-treatment beds. The hospital budgets were then reduced by \$12,000 per surplus bed. These funds were redistributed more equitably to those hospitals operating at the guideline and to provide additional funds for chronic-care and outpatient programs. No hospitals with surplus active-treatment beds were actually required by the Ministry of Health to close any beds.

While there is an identifiable surplus of approximately 890 active-treatment beds it is recognized there is a greater need for more chronic- and extended-care beds. Therefore, many hospitals are requesting through their local planning bodies permission to convert their surplus active-treatment beds to chronic-care beds with the net result there will likely be little change in the total number of beds available in the system. Conversion of surplus active-treatment beds to more appropriate levels of care will provide ultimately a better means of meeting the changing needs of the people of Ontario.

2. There are 51 hospital centres which currently meet the bed ratio of four beds per thousand (4.5 in Northern Ontario).

3. They are: Ajax; Burlington; Bracebridge; Brampton; Barrie; Bancroft; Burk's Falls; Chatham; Cambridge; Collingwood; Dryden; Fergus; Grimsby; Guelph; Haldiburton; Hamilton; Kitchener; Kingston; Kemptville; Lindsay; Leamington.

Milton; Minden; Mississauga; Midland; Napanee; Newmarket; Newcastle; North Bay; Oakville; Owen Sound; Oshawa; Orillia; Oxtawa; Pembroke; Perth; Port Hope; Port Colborne; Paris; Peterborough; Richmond Hill.

Sioux Lookout Sault Ste. Marie; Smiths Falls; Scugog; St. Catharines; Stratford; Metro Toronto; Trenton; Winchester; Whitby.

4. It is difficult to project figures for the number that will be identified as surplus active-treatment beds for the years 1980-81 as there is a growing shift in population and these figures must be recalculated using new population figures and weighting factors that are used in the referral population calculation.

PHYSICIAN AVAILABILITY

173. Mr. Cassidy: Would the Minister of Health table information on the number of medical specialists by county across Ontario? Would the minister state the total number of specialists practising in each county, and would the minister indicate how many of these specialists are still in OHIP? Would the minister further indicate how many anaesthetists, obstetricians and gynaecologists, surgeons, psychiatrists, and paediatricians there are in total in each county, and how many are still practising within OHIP? Would the minister provide this information as of March 31, 1979; December 31, 1978; September 30, 1978; June 30, 1978; March 31, 1978? Would the minister also state the total number of general practitioners in each county and the number still within OHIP as of the same dates as noted above? [Tabled May 3, 1979.]

Hon. Mr. Timbrell: Our answer to the above question reads as follows:

Due to the amount of material to be assembled for this question, we require more time to prepare an answer. An answer will be tabled in approximately six weeks.

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Thursday, May 24, 1979

Afternoon Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 24, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

NUCLEAR PLANT SAFETY

Hon. Mr. Auld: Mr. Speaker, yesterday the select committee on Ontario Hydro affairs passed a motion that the government direct Ontario Hydro not to reopen the Rolphoton NPD nuclear generating station until such time as the committee has finished its review of nuclear safety matters.

As members may be aware, the select committee met yesterday to discuss an application to the Atomic Energy Control Board—

Mr. S. Smith: Mr. Speaker, on a point of order, may I please have a copy of the minister's statement?

Mr. Deputy Speaker: Does the honourable minister have copies of his statement?

Hon. Mr. Auld: They are here and in the process of distribution.

Hon. Mr. Henderson: The Leader of the Opposition doesn't look well. Has he had an illness?

Mr. Deputy Speaker: Order. Have the copies been delivered at the moment?

Mrs. Campbell: No.

Mr. Deputy Speaker: Is it the wish of the House that the minister continue or not?

Some hon. members: No.

Mr. Deputy Speaker: Then we shall have the statement of the Minister of Industry and Tourism.

EMPLOYMENT DEVELOPMENT FUND GRANTS

Hon. Mr. Grossman: Have you got copies? I am pleased to announce three recent government initiatives we are taking through the Employment Development Fund, which exemplify our continuing interest in and support of Ontario's industrial base.

We have just completed successful negotiations with Tridon Limited, a wholly-owned and managed Canadian firm with head office in Burlington, whereby the Ontario govern-

ment will provide the company with an Employment Development Fund grant of \$800,000.

Mr. S. Smith: Oh, that's incredible.

Hon. Mr. Grossman: In return, Tridon will make an \$11 million investment in the Halton region, an investment which will create 360 new jobs and represent \$10 million in new export sales.

Interjections.

Mr. S. Smith: Tridon doesn't need government help.

Hon. Mr. Grossman: The Leader of the Opposition as always is opposed to it. Tell them in Burlington, not in Prescott.

Hon. Mr. Bernier: Tell them in Dryden.

Mr. S. Smith: It is easy to give away the taxpayers' money to a wealthy company.

Hon. Mr. Grossman: Tridon is in the process of expanding its manufacturing—

Interjections.

Hon. Mr. Grossman: You can't stand to see us win some companies for this province. Tell the people in the Halton region and in Hamilton that you are against doing it.

Interjections.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: If you don't want any of this in Liberal ridings, let us know.

Mr. S. Smith: Yes, I'll let the minister know. We don't want it in any part of Ontario.

Interjections.

Hon. Mr. Grossman: You don't want any in any Liberal riding.

Interjections.

Hon. Mr. Grossman: The colleagues of the Leader of the Opposition aren't applauding that. The member for St. Catharines is not applauding that.

Mr. Bradley: Helping healthy companies is not a credit to you.

Mr. Deputy Speaker: Order.

Mr. Roy: We never wanted it and the minister knows it.

Hon. Mr. Grossman: Tridon is in the process of expanding its manufacturing capability to build on the world leadership it has

achieved in the manufacture of plastic wiper blades and wiper arms for the automotive industry.

Mr. Bolan: Why doesn't the Treasurer (Mr. F. S. Miller) go back and sell used cars? He can't sell his ideas. Go back and sell some Edsels.

Hon. Mr. Grossman: The Employment Development Fund grant will assist Tridon in maintaining a strong presence in Ontario. The project typifies the kind of development we intend to support through the fund. It will provide stable, long-term employment, foster the development of needed job skills and stimulate export development.

As a result of earlier negotiations, culminating in the recent meeting in Detroit at which the Premier (Mr. Davis), the Treasurer and I had discussions with senior officials from the automotive industry, I am pleased to announce that we have succeeded in obtaining a major auto parts expansion for Ontario.

Mr. Kerrio: For Niagara Falls.

Hon. Mr. Grossman: Close. We have agreed to assist TRW Canada Limited in securing North American production in Ontario for their new products. To this end, \$420,000 will be provided through the EDF to assist TRW in a \$5 million expansion of plant and equipment in their St. Catharines operation, I would say to the member for St. Catharines whose leader doesn't support this type of program, and an \$8 million project in Tillsonburg, whose member does support it.

Mr. Bradley: They've expanded already.

Mr. S. Smith: The minister is right that I don't. They would have done it anyway.

Hon. Mr. Grossman: If the Leader of the Opposition's member can go back to St. Catharines and tell his constituents that, I'd like to hear him do that.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: This will create 100 new jobs in St. Catharines and an additional 100 new jobs in Tillsonburg. As a result of this expansion, TRW Canada Limited will manufacture automotive valves and parts for auto steering systems to be used in the new lighter, more energy-efficient automobiles. The entire production output will be exported.

The Employment Development Board has also concluded an agreement whereby the government of Ontario, through the EDF, will guarantee a chartered bank loan of \$4.3 million to HSA Reactors Limited of Rexdale. HSA Reactors is a 74 per cent Canadian-controlled company. Significant funds from

the private sector over the past five years have permitted the company to engage in major research—

Mr. S. Smith: That's what the government should be doing—guaranteeing loans, not giving out money.

Hon. Mr. Grossman: —and a state-of-the-art technology for waste management in metal plating industries has been developed. This technology has a wide variety of potential applications.

Mr. S. Smith: That's not a giveaway.

Hon. Mr. Grossman: The Leader of the Opposition just can't stand it.

Mr. S. Smith: Why did the government not give them a grant? Why the guaranteed loan?

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: It is a guaranteed loan. Was the Leader of the Opposition paying attention?

Mr. S. Smith: Yes, that's what I'm saying. Why didn't you give them a grant like you gave the automotive people?

Mr. Warner: Throw the member out, Mr. Speaker.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: Because we shape our program to the needs.

Mr. Deputy Speaker: I would just like to remind the honourable members that on Thursday 30 minutes is allotted for ministerial statements. There are a number of statements to be made. I wish the ministers making the statements would disregard the interjections.

Mr. Kerrio: Shape up or ship out.

Hon. Mr. Grossman: I hope the Leader of the Opposition's back-benchers don't disregard them.

Foreign firms are anxious to acquire such world-leading technology and have offered financial arrangements in an attempt to ensure that any future production takes place in foreign jurisdictions. We want to give this Ontario-based research and development a chance to expand into international application and production. In order to ensure this, we have provided a guarantee to allow HSA to obtain local, not foreign financing. In exchange, we have obtained an undertaking from the firm that it will establish production facilities in Ontario on a major scale and maintain domestic ownership.

Our support of this project is an example of this government's commitment to encourage the development of new processes through Canadian-based innovation.

NUCLEAR PLANT SAFETY

Hon. Mr. Auld: I just wanted to be sure, Mr. Speaker, that the Leader of the Opposition has a copy of this statement.

Mr. S. Smith: Yes, I have.

Hon. Mr. Auld: Yesterday the select committee on Ontario Hydro affairs passed a motion that the government direct Ontario Hydro not to reopen the Rolphton NPD nuclear generating station until such time as the committee has finished its review of nuclear safety matters.

As members may be aware, the select committee met yesterday to discuss an application to the Atomic Energy Control Board by a group of concerned citizens in Renfrew county for a public hearing into the safety of the Rolphton station. In its application, the concerned citizens' group stated its belief that: (1) Rolphton is operating in breach of its licence and in breach of AECB's safety standards; (2) the licence for operating Rolphton should be revoked because its emergency core cooling system is inadequate and would be unable to prevent overheating in the reactor if the main cooling system failed.

Since this matter was first raised, the ministry has been in touch with AECB and as late as this morning it has discussed with the director of the reactor and accelerator branch of the control board the status of the Rolphton station and the views expressed by the Renfrew county concerned citizens' group.

In addition to the information I provided to the House in my statement of May 10, 1979, there are a number of matters of which I believe members should be aware.

Rolphton is a 20-megawatt electric Candu demonstration station owned by Atomic Energy of Canada Limited and operated by Ontario Hydro. The station was started up in 1962.

In AECB's view, Rolphton is not operating in breach of its licence nor in breach of the control board's safety standards. The control board is satisfied with the safety of the Rolphton station and that satisfaction is evidenced by the fact that the control board has continued to allow the station to operate at 100 per cent power.

The control board is satisfied that the emergency core cooling system at Rolphton is adequate. Rolphton is currently shut down for routine maintenance. That maintenance is not related to the emergency core cooling system.

The control board is today studying the application of the Renfrew county concerned citizens' group for a public hearing and assess-

ing how it intends to respond. It would not be appropriate for me to speculate on their decision but I have been advised that it will be available shortly.

The councils of several communities in the Rolphton area have considered the matters raised in the application of the Renfrew county concerned citizens' group. These communities are: Deep River, Chalk River, Petawawa, the united townships of Head, Clara and Maria, and the united townships of Rolph, Buchanan, Wylie and McKay.

I should like to read into the record an excerpt from a resolution passed by these communities following a meeting with the member for Renfrew North (Mr. Conway) on May 11. I am also attaching a transcribed copy of a letter these communities sent to the Leader of the Opposition on May 16 setting out the full text of the resolution: "That the area municipalities . . . emphatically reiterate their past support for the nuclear power industry and, in particular, express their confidence in the nuclear installations, operations and personnel at AECL's Chalk River laboratories and at Ontario Hydro's [Rolphon station]."

As the honourable members know, the Atomic Energy Control Board is the agency which has the technical capability and legal responsibility for licensing the operation of nuclear reactors in Canada for establishing nuclear safety standards in Canada. As I previously indicated to the House, the control board is "satisfied with the safety of the Rolphton station and that satisfaction is evidenced by the fact that AECB has continued to allow the station to operate at 100 per cent power."

Mr. Cassidy: It's called passing the buck.

Hon. Mr. Auld: In the light of this technical capability and legal responsibility, I believe it is appropriate—

Mr. Cassidy: Have you read the report of the committee?

Hon. Mr. Auld: —that the concerns expressed by the Renfrew county concerned citizens' group be assessed, as they are being assessed, by the Atomic Energy Control Board in the context of the board's expert knowledge and its nuclear safety standards.

If the control board determines that the concerns being expressed have any validity, we have been assured that it will take the necessary steps to see that any deficiencies are corrected. This will not require any action by the government as Ontario Hydro will automatically comply with any order issued by the control board.

Mr. S. Smith: You should have made that statement at the committee.

[2:15]

CHILDREN'S SERVICES LEGISLATION

Hon. Mr. Norton: I wish to inform the Legislature and the public of the province's plans for proclamation of the eight pieces of legislation relating to children enacted by the Legislature during the last session.

The new laws make major changes in such areas as child abuse, adoption, standards of service and children's rights. I will be making a further statement about these changes at a time closer to the date of proclamation.

Proclamation date for all of the acts will be June 15, 1979. It had been our intention to proclaim on June 1 but this has been delayed to ensure that all new court forms, procedural rules and explanatory materials have been received by every children's aid society and every family court.

Over the past six months a great deal of work has been done to prepare for the proclamation. Training materials have been drawn up and training sessions held for children's aid society employees across the province. New regulations and court forms have been prepared. A special effort has been made to produce forms which are understandable to all involved in child protection cases. Most importantly, a complete set of rules of procedure for child protection cases has been developed. These rules emphasize both full disclosure before the court hearing and pre-trial conciliation in an effort to resolve matters without the need for a possibly destructive adversary proceeding within the courtroom.

Proclamation is being delayed on two sections in the acts, one in the Child Welfare Act and one in the Day Nurseries Act. In the Child Welfare Act, proclamation of section 20 dealing with legal representation for children will be delayed until October 1 in order to enable the Ministry of the Attorney General to complete the work necessary to implement the new system for such legal representation, one which will include training programs for those lawyers wishing to appear on behalf of children under section 20. All of the remaining sections of the Child Welfare Act will be proclaimed on June 15.

The second section is within the Day Nurseries Act and deals with the completion of applications and needs tests by parents or guardians within the day nurseries themselves.

A number of municipalities have indicated that substantial sums of money will be re-

quired to pay for the administrative costs of implementing this section. I have decided, therefore, to delay proclamation until we know precisely what, if any, additional costs are involved. We should have the answer within two months. At a time of limited additional resources, I am very concerned that all new funds go into direct services to children, not to support or create administrative structures or new administrative procedures.

Mr. McClellan: It should save money if you do it properly.

Hon. Mr. Norton: Convince the municipalities of that.

HIGHWAY SAFETY

Hon. Mr. McMurtry: On Friday last my colleague, the Minister of Transportation and Communications (Mr. Snow), informed the Legislature that motor vehicle fatalities—

Mr. S. Smith: On a point of order, I hate to interrupt the minister, but we do not have a copy. Perhaps if these copies could be distributed ahead of time instead of kept by the assistants under the gallery, it would facilitate matters.

Hon. Mr. McMurtry: On Friday last my colleague, the Minister of Transportation and Communications, informed the Legislature that motor vehicle fatalities had climbed a shocking 67.5 per cent across Ontario in the first three months of 1979.

It was deeply disturbing to me as the minister responsible for law enforcement in the province to learn that 270 people had been killed in traffic accidents up until the end of March. These grim statistics are simply unacceptable, I know, to all of us. During this past week I have instructed the Ontario Provincial Police to step up law enforcement on Ontario highways and to increase their visibility in every way possible.

I should like to advise members of the Legislature that we will be taking the following steps immediately to achieve these objectives: First, the number of aircraft patrolling provincial highways in high-accident areas of southern Ontario will be doubled from three to six. The additional funds required for this stepped-up aerial surveillance have been made available and the extra aircraft will be on the job as soon as possible.

Second, increased enforcement of our seat-belt legislation, which passed with the support of all parties in the Legislature, will begin at once. The legislation has now been in effect for three years and statistics show this law has saved hundreds of lives. In the January to April period, provincial police laid 9,500 charges and issued 14,000 warnings

to motorists for seat belt infractions. I have asked Commissioner Graham to instruct his men to lay more charges instead of issuing warnings in the months ahead, since every Ontario motorist must now be aware of the legislation and its obvious benefits.

Third, in addition, the commissioner will be instructing all OPP officers to be on the lookout for flagrant traffic infractions, whatever their assignment. Greater use will be made of unmarked patrol cars to apprehend speeders and lane hoppers on provincial highways.

Mr. Bolan: What are they doing now?

Hon. Mr. McMurtry: Fourth, discussion has already taken place with the chief judge of the provincial court in relation to the appropriateness of increased and more uniform fines for speeding and moving traffic violations imposed in the criminal division of the provincial court.

Mr. Conway: Down with government limousines.

Hon. Mr. McMurtry: Fifth, I am writing to all crown attorneys to alert them to the increasing public concern about highway safety. I am asking that they bring this public concern to the attention of the courts when dealing with the sentencing of motorists convicted of Criminal Code offences related to driving. These offences include criminal negligence, dangerous driving and alcohol-related driving charges. There were 57,000 convictions for these offences last year.

It is also my intention to enhance the role of the Ontario Provincial Police in the whole field of traffic safety in the province. I am pleased to announce the formation of an ongoing highway traffic safety co-ordinating council under the direction of the Ontario Provincial Police, with representatives from the Ministry of Transportation and Communications, the Ontario Police Commission, the Ontario Association of Police Chiefs and the Ministry of the Attorney General. This council will seek long-term solutions to the upward trend in highway deaths revealed by the recent statistics.

Studies related to police visibility undertaken by the Ministry of the Solicitor General show higher visibility does reduce the carnage on our highways. In an effort to provide higher police visibility, I will be asking my cabinet colleagues to consider approving funds for the hiring of additional OPP officers in 1979.

As honourable members are aware, I announced earlier this month that MTC was undertaking a statistical survey of the drinking and driving habits of Ontario motorists

from approximately 250 sites at 16 selected locations across the province. The ministry is working with local police forces and the OPP using a number of roadside breath testers known as ALERT devices to obtain a meaningful sampling on which to base our future programs against drinking drivers.

On the completion of this sampling, it is my hope, these ALERT devices can be made available to the OPP as an enforcement tool. I am personally deeply committed to stepping up our crackdown on drinking drivers, which senior OPP officers inform me played a significant role in the terrible slaughter across Ontario last winter.

I want to assure honourable members that despite the reservations some people may have about a get-tough policy, I am personally committed to taking whatever steps are necessary to reverse the alarming upward trend in highway deaths.

I might say, Mr. Speaker, I am deeply disturbed that the Leader of the Opposition does not take this matter more seriously.

Mr. S. Smith: On a point of privilege.

Hon. Mr. McMurtry: You should be ashamed of yourself.

Mr. Deputy Speaker: Order, order.

Hon. Mr. McMurtry: You should be damned well ashamed of yourself.

Mr. Deputy Speaker: Order. What's the point of privilege?

Mr. S. Smith: I wish to raise a point of privilege, Mr. Speaker. It surely should be obvious to the Attorney General that we take the matter of this carnage extremely seriously and we also take the matter of dealing strenuously and with great severity with drinking drivers very seriously. We do not take seriously, however, an obvious attempt to play for headlines unrelated to any real change in any real policy.

Hon. Mr. McMurtry: Absolute nonsense and the honourable member knows it. I repeat, you should be ashamed of yourself, damned well ashamed of yourself.

Interjections.

Mr. Deputy Speaker: Order!

Interjections.

Hon. Mr. McMurtry: This is not a high-school debating society, we're talking about human lives. The honourable member should understand that.

Mr. Deputy Speaker: Order, order.

Hon. Mr. McMurtry: Mr. Speaker, I want to conclude stating that this action is being taken to protect the lives of the vast majority of Ontario's 4.7 million motorists who obey

the rules of the road, and I suggest that every citizen deserves to be protected from the callous or unthinking minority who flout the law and endanger us all.

ORAL QUESTIONS

NUCLEAR PLANT SAFETY

Mr. S. Smith: Mr. Speaker, a question for the Minister of Energy: Is it true, as has been reported in this morning's article and as has been rumoured, that Ontario Hydro has decided not to go after Babcock and Wilcox for the full cost which resulted from the defective boilers delivered by that company to Hydro on the basis that to make Babcock and Wilcox pay the full cost might bankrupt the company? If there is any truth to that, would the minister please explain what good a guarantee is from a company if forcing them to honour it would render them bankrupt? Why would Hydro not have demanded, in order to protect the public interest, a bond from that company when getting into that arrangement in the first place?

Hon. Mr. Auld: Mr. Speaker, I propose to make a full statement about the Babcock and Wilcox boiler situation tomorrow. I had hoped to do it today but, unfortunately, there was a meeting going on between Hydro and Babcock and Wilcox. All the files and people were involved in the meeting; so I was not able to get all the information. I will have it tomorrow.

Mr. S. Smith: By way of supplementary: We look forward to the minister's statement, and in the statement would he please include reference to what I have just asked?

Would the minister also table the agreements between Hydro and Babcock and Wilcox, and would he tell us whether it is true that Babcock and Wilcox was chosen over other companies without a tendering process in this particular case simply to give that company a boost? Would he not agree that MLW of Quebec, for instance, was also capable of making these boilers? Why would Babcock and Wilcox have been chosen without going to the tendering process?

Hon. Mr. Auld: Mr. Speaker, I will cover that. I think that was on the air this morning—I heard a bit on early morning radio involving Mr. Morison and somebody—but I will cover that tomorrow too.

Mr. Cassidy: A supplementary question, Mr. Speaker: Since Hydro has had inspectors at the Babcock and Wilcox plant all during the period that these boilers were being constructed, could the minister explain why the defects in the boilers were not discovered

before they were actually taken from the works in Cambridge? Why was it that a full year had passed on the entire production line of boilers before the defects were discovered? Would this expense not have been avoided if Hydro's inspectors had discovered the defects at the beginning of the production of these boilers?

Hon. Mr. Auld: Very briefly, Mr. Speaker, I can answer that today. As I mentioned on May 10, or whenever it was that I gave the previous statement, there is something like 29 miles of tubing inside the boiler; the final step in constructing the boiler, after all the welding has gone on inside, is to cover it with a welded cover. Then the heat treatment is done, and that is apparently when the difficulty was caused; you could not see inside.

Mr. J. Reed: A supplementary question, Mr. Speaker: If this is such a difficult problem to discover, how did it become discovered?

Hon. Mr. Auld: Mr. Speaker, I will be covering that tomorrow, and I think I had better leave that until then, if the honourable member will wait, because otherwise, without it written down, it will take me about 10 minutes, as the honourable member knows, and I think he will be happier if he gets it in a concise form tomorrow.

[2:30]

Mr. S. Smith: A final supplementary, Mr. Speaker: Since it is possible that there is a design defect in the Babcock and Wilcox boiler which means that the tubes will bend when given this heat treatment process, and since if it is a fundamental design defect, it is possible that after it is repaired the same thing is going to happen again, which might be both a financial and a safety hazard, why has the minister not made it his business to find out the reason why Atomic Energy of Canada Limited did not buy the Babcock and Wilcox boiler in its most recent order for Korea and instead chose one from Foster Wheeler? Why has he not made it his business to find out the reason why they made that decision since apparently, according to what the minister says, he doesn't know whether it was due to financial reasons?

Hon. Mr. Auld: I think I covered that last question in a reply to the member's question previously.

Mr. S. Smith: No, you didn't.

ACCESS TO REPORTS

Mr. S. Smith: I have a question for the House Leader. Given the results of the recent

federal election and the fact that Mr. Clark supported—

Interjections.

Mr. S. Smith: —freedom of information and his support of freedom of information was presumably one of the reasons why he won the election, can we assume that this government's support of him implies the same sort of willingness? Can we, in particular, expect to have access to the inspection reports on the various nursing homes in Ontario, which are undoubtedly of great interest to the Russians or to any other enemies we might have and are, therefore, kept highly secret? Can we have access to the X-ray machine inspection reports which are in the custody of the Minister of Health (Mr. Timbrell)?

Hon. Mr. Welch: Mr. Speaker, in attempting to respond to the question posed by the Leader of the Opposition, I was interested that he would attribute some success by the Prime Minister-Elect to the whole question of privacy. It is obvious that the people of Canada elected Joe Clark and his people because they were tired of an arrogant, insensitive Pierre Trudeau and his administration.

Mr. Makarchuk: Next time it will be your turn.

Interjections.

Hon. Mr. Welch: The people of Canada, the jury, finally decided that they had enough of that man and those associated with him, and I say thank goodness for that.

Interjections.

Hon. Mr. Welch: As far as the question is concerned, there is no doubt in my mind that the Prime Minister of—

Mr. Makarchuk: He looks like a member of the Rhinoceros Party.

Mr. Breithaupt: Will the other members of the quartet be coming in?

Mr. MacDonald: There has been a fire sale.

Mr. Gregory: On a point of personal privilege, Mr. Speaker: I just wanted to reply to a remark that came from the opposition side. If they like the red, white and blue I am wearing so well, I know where they can get one just like it. I would also like them to know that we are going to use the proceeds from the sale of these suits for a fund for the preservation of Liberals as a dying breed.

Interjections.

Mr. Deputy Speaker: And now back to the answer to the question.

Hon. Mr. Welch: Mr. Speaker, in addition, I should also serve notice that the Minister of Natural Resources will also be adding the Liberal Party to the schedule attached to the Endangered Species Act.

Mr. T. P. Reid: If you administer that program like the rest, we don't have anything to fear.

Hon. Mr. Welch: It should be noted, as the chief government whip has entered the House in such resplendent attire, that we have reintroduced the colour of blue, along with the red and white, which of course is a very important combination.

The balance of the Leader of the Opposition's question, as I recall it, had some specific reference to the Ministry of Health. I undertake to draw the attention of the Minister of Health to that particular question.

Mr. S. Smith: By way of supplementary: Since it is obvious that the continuing secrecy is to be a policy in that particular area, may I direct a supplementary to the Minister of the Environment? Can we have the site inspection reports from the Upper Ottawa Street site and from all the other liquid and hazardous waste dumps in Ontario, or are these also to be kept as a deep, dark secret?

Hon. Mr. Parrott: Mr. Speaker, we are quite prepared to continue to send over to the Leader of the Opposition our certificates of approval. We have sent over a dozen in the last little while. I see no reason why we shall not continue to do so.

Mr. S. Smith: I referred to site inspection reports. We have not received any. We asked for them two months ago.

An hon. member: They're getting pretty arrogant over there.

Mr. Breithaupt: Do they sell men's clothes where the chief government whip bought his suit?

Mr. Deputy Speaker: Order.

FOREIGN INVESTMENT

Mr. Cassidy: Mr. Speaker, my question is of the Minister of Industry and Tourism. Now that he is back from his pursuit of foreign investment in Japan, can the minister explain why Ontario is putting such an effort into attracting Japanese investment, rather than building Canadian-owned industries, to take advantage of the opportunities that exist in this province?

Hon. Mr. Grossman: Mr. Speaker, I found it very intriguing that some of the potential Japanese investors in this country, with whom we met—for example, the auto parts people,

the automotive people and the electronics people—were considering very many locations, some of which we did talk about, in ridings represented by members on his party's benches. Again, if it is the policy of his party that we should not encourage those multinationals into his party's ridings, I would appreciate being informed in that regard.

I should also tell the honourable member that a major part of our effort over there was to promote the very Canadian-owned industries of which he spoke. To this end, we spent several hours meeting with the presidents and vice-presidents of Toyota, Nissan and Honda to encourage them to purchase more Canadian-made auto parts. To that list I might add Tridon, which we have supported, as I indicated earlier, and which is one of the major suppliers of the Japanese market. Our attempts over there were to encourage them to look after Canadian interests and to buy our very high-quality auto parts, in spite of some of the policies they have had over there which, quite frankly, as the honourable member well knows, discouraged imports into their market.

I might add that we feel that we had a great deal of success in this regard. We got some very positive indications that auto parts in particular would be purchased in greater amounts from this country. There is no question they will be purchasing auto parts in larger numbers from the North American market, and a major part of my time there was spent ensuring that a large number of those auto parts are purchased from our very good and successful Canadian auto parts industry.

Mr. Cassidy: Since the Gallup polls have been showing consistently since 1975 that seven out of 10 Canadians think we have enough US foreign investment in Canada, can the minister say what makes him think that the people of Ontario want Japanese investment to solve our economic problems?

Hon. Mr. Grossman: If the member is suggesting that we should not have Japanese investment in this country, and that the level of American investment satisfies him and we should concentrate on—I do not know where he is suggesting we concentrate, other than on Canada, which we do—I want to tell him quite simply that there are thousands and thousands of jobs in this country that can be created by proper, carefully considered, product-mandated Japanese, German, French investment, as well as American investment in this country.

Just so there is no misunderstanding about the difference in philosophies between the member's party and our government, let me

say, yes, we do want proper, carefully considered multinational investment to create jobs in this province.

Mr. M. N. Davison: What about Canadian investment?

Hon. Mr. Grossman: We've always had it; it's always been a large component of our employment in this country. He believes we shouldn't have any, including Japanese, and I think that's one thing that the voters in very many ridings of this province should be well aware of next time around.

Mr. Martel: It depends on the type.

Mr. S. Smith: Supplementary: Since Tridon exports auto parts from Canada to Japan, can the minister show us what assurance he has that Japan will not now raise a countervailing tariff against these parts because of the \$800,000 giveaway, a subvention by the Ontario government to Tridon?

Hon. Mr. Grossman: We are satisfied that under the new GATT code—

Mr. S. Smith: Table it.

Hon. Mr. Grossman: —negotiated, the incentive grants we are talking about will not bring down countervailing duties.

Mr. S. Smith: Table your legal opinion.

Hon. Mr. Grossman: I would have to refer the member to the communications we have had with Jake Warren and the federal government negotiators who have been dealing with this matter.

I might also add that, as I am sure members will recall, an injury test would have to be shown, which in the case of the products that Tridon exports in any event, notwithstanding everything else that is contained in the GATT agreement, in itself would eliminate any possibility of countervailing measures being taken.

Mr. di Santo: Supplementary: In view of the fact that Canada pays over \$7 billion in interest, dividends and debt-servicing; and in view of the fact that the outflow of investments from Canada is higher than the inflow; and in view of the fact that last year our trade with Japan will amount to \$2.5 billion in manufactured goods in Ontario, while Japanese investments in Canada are in the resource industry, doesn't the minister think that he is encouraging the Japanese to take over our economy even more when we need to develop our manufacturing industry—

Mr. Deputy Speaker: Order. The question has been asked.

Mr. di Santo: —here in Canada?

Hon. Mr. Grossman: One of the things the Japanese have pointed out to me with some

regularity is that, in fact, Canada had a trading surplus with Japan.

Mr. di Santo: In resources.

Hon. Mr. Grossman: As we pointed out to them, that surplus was totally on account of our export of resources. We then indicated to them that that wasn't satisfactory; that we measure the value of international trade in terms of the jobs it creates in our country. I offered to measure our trade balance with them in terms of the jobs created in their country as against the jobs created in our country. Of course, they immediately agreed that that is an imbalance in their favour.

Therefore, one of the major purposes of our trip was to point out to them that, in order to continue a healthy and fair trading relationship, they were going to have to greatly expand their trade with us, in terms of importing many, many more of our manufactured products from this province.

DAY-CARE POLICY

Mr. Cassidy: I have a question for the Minister of Community and Social Services, Mr. Speaker, arising out of my question on May 11, 1979, about day-care cutbacks.

Is the minister aware that the social services committee of Metropolitan Toronto has today passed a motion expressing its extreme disgust at the answer by the minister in his allegations about inefficient administration as the cause of proposed cuts in service by Metropolitan Toronto social services? Will the minister reconsider the government's cut-back policies in order to ensure adequate funding so Metro can meet the need for at least 900 additional day-care spaces in Toronto this year?

Hon. Mr. Norton: The answer to the first part of the question is no. I wasn't aware of any resolution that had been passed today.

In respect to the second part of the question, my reference in the House on an earlier occasion to the \$800,000 figure, to my recollection wasn't couched as an allegation of irresponsible administration, or however the honourable member phrased it. At that time I knew of what I was speaking.

[2:45]

I don't have it with me at the moment, but I could document specifically the recommendations that had been made by my staff in a meeting with the administration—not specifically referring to day care but referring to other areas of social service administration in Metropolitan Toronto.

I want to make it clear I'm not alleging irresponsible or inefficient administration. I

did suggest there were ways, and we had recommended them, that by a careful review of certain administrative expenditures those savings could be achieved, and I stand by that.

Mr. Cassidy: A supplementary, Mr. Speaker: I want the minister to know he has caused great offence to the social services people in Metropolitan Toronto because of the allegations he made in this House two weeks ago.

As a supplementary, I would ask the minister, given the economic impact of the provision of day care, and the problems it's creating for couples who must both work in order to make ends meet, and for single-parent families who cannot get off welfare unless they can get adequate day-care services, does he not believe that both for social and for economic reasons, it is desirable to ensure there is adequate provision of day care in metropolitan funding? If that's so, how long will the government continue with the present freeze on day care in this city? When will that stop?

Hon. Mr. Norton: With respect, again, perhaps I can deal first with the statement by the member and then the question. I trust there was no offence created by my response in the House on the previous occasion; although I suggest, and I don't mean to be provocative, but I'm sure—

Mr. McClellan: It was disgust, not offence—extreme disgust.

Hon. Mr. Norton: —if there is any way the members opposite could make it offensive, or appear that I was intending to be offensive, they would dearly love to do that.

Mr. Swart: The minister can do it on his own.

Hon. Mr. Norton: I would suggest, given things like press releases I have seen recently—

Mr. Swart: Perish the thought.

Hon. Mr. Norton: —and statements issued on the NDP caucus letterhead, and so on, that the member is doing a very effective job in trying to undermine the very good intentions and the very sincere efforts of the people in my ministry and to make it appear we're out to offend people in the social service field.

An hon. member: Distortion is an art.

Interjections.

Hon. Mr. Norton: With respect, I'm not shedding tears but in times of some economic difficulty in this province, when we are determined to preserve the quality of social services, it requires a little integrity and a

little co-operation on the other side of this House as well.

Mr. McClellan: Mr. Speaker, despite the hyperbolic, outrageous rhetoric from the minister, I want to ask him a question by way of supplementary.

Interjections.

Mr. McClellan: Would he tell us very simply why he has imposed a five per cent ceiling on day-care expenditures, singling it out from all other children's services which have been given an increase of 9.9 per cent? Why has he imposed that ridiculous cut-back level ceiling on day care in this province?

Ms. Gigantes: For Mini-Skools.

Hon. Mr. Norton: Mr. Speaker, again with these statements that precede the question, I can't resist responding to the statement initially. Talking about rhetoric, I think it would be interesting if, for posterity, the press releases of the member for Bellwoods could be preserved. I have yet to see anything that make such nonsense—that is couched in words that—

Mr. McClellan: Unlike his programs, they're preserved.

Hon. Mr. Norton: —he just sat down and digested the dictionary and is regurgitating—choosing the largest words first in a way that doesn't necessarily make any sense. But I would say this—

Mr. Breagh: I was afraid of that.

Hon. Mr. Norton: That I would say this? Maybe I shouldn't. What was the member's question anyway?

Mr. McClellan: The five per cent ceiling.

Hon. Mr. Norton: Day care has not been singled out from any other programs with respect to the five per cent ceiling on growth in administrative and other expenses.

Mr. McClellan: Children's services are 9.9 per cent.

Hon. Mr. Norton: It applies to all transfer programs. The additional funding available in children's services represented by that 9.9 per cent increase is funding that is available to assist and encourage the development—

Mr. McClellan: The 9.9 per cent is just bunk.

Hon. Mr. Norton: —of more preventive programs—

Mr. McClellan: What do you think day care is?

Hon. Mr. Norton: —and to assist agencies in the transition from, in some cases, very high cost but secondary or tertiary care, if

you wish, to earlier care, intervention and prevention programs across this province, in response to the almost unanimous message we have received from the people involved in child care across this province—

Mr. McClellan: Yes, we need more day care. That's the message.

Hon. Mr. Norton: —during the last two years in our consultations.

Mr. Deputy Speaker: The member for Ottawa Centre with a final supplementary.

Mr. Cassidy: Mr. Speaker, I'm glad the minister lashed out at the members of this party because it shows how sensitive he is becoming about the failures of his ministry.

Hon. Miss Stephenson: Balderdash. Why don't you talk sense once in a while?

Mr. Rotenberg: Nonsense.

Mr. Cassidy: Will the minister now acknowledge the damage the cutbacks policy is causing both on children and on families across the province?

Mr. McClellan: He's exceeding James Taylor's cutbacks.

Mr. Cassidy: Is the government prepared to abandon the cutbacks policy in order to ensure adequate day-care services in Metropolitan Toronto and across the province?

Hon. Mr. Norton: My lashing out at the honourable member opposite has nothing to do with any particular sensitivity about conditions in the ministry at this point in time.

Mr. McClellan: It's part of your leadership ambitions, right?

Hon. Mr. Norton: I would suggest to him I have always been sensitive to what I may regard as irresponsible politicizing and trying to take advantage politically of a situation which I think is the responsible way to deal with the delivery of services in this province.

Mr. McClellan: Cutbacks, that's all it is, cutbacks.

Hon. Mr. Norton: Second, I would respond by simply saying there are no cutbacks in children's services funding.

Mr. Martel: We don't believe that. What about the money for Thistlethorn?

OTTAWA COURT FACILITIES

Mr. Roy: Mr. Speaker, I would like to ask a question of the Minister of Government Services. Can the minister advise if he was correctly quoted last week in the press? I don't think he realizes I'm asking him a question. All right. I realize this minister has been having an easy time.

Can the minister tell me if he was correctly quoted in the press last week in Ot-

tawa saying the Ottawa-Carleton community will have to be satisfied with the present court facilities for another five years? Can he explain why it takes two years to get architectural plans and why it takes five years to renovate the old teachers' college? Can he tell us why he treats the Ottawa-Carleton community with such contempt when the court facilities there would be intolerable any place else in the province?

Mr. Sterling: You know what the delay is.

Mr. Handleman: The new government will help.

Mr. Deputy Speaker: Actually, the question was asked. It was a good question.

Mr. Roy: Yes. Does the minister agree with his colleague from Ottawa South—

Hon. Mr. Bennett: That's right.

Mr. Roy: —who states, "Surely to goodness, if we can build courthouses in London and St. Catharines, we need a proper building in the nation's capital"? Does the minister agree with that?

Interjections.

Mr. Handleman: Thank goodness for the new government.

Mr. Deputy Speaker: Order. Order. I'm sure all honourable members want to hear the answer.

Interjections.

Hon. Mr. Henderson: Mr. Speaker, in answer to the honourable member's question, number one, I suggested to this member back a few weeks ago that May 22 would correct the big obstruction we had in the way of the Ottawa courthouse.

Mr. Roy: Yeah, blame it on Ottawa. Why is it going to take five years?

Interjections.

Hon. Mr. Henderson: Number two, with regard to the honourable member's question about the quote in the paper, I haven't seen the quote to which he is referring.

Mr. Roy: Did you say it or not, about five years?

Hon. Mr. Henderson: I have not had the opportunity to look at it; the honourable member has not sent it over.

Mr. Peterson: If we asked five minutes ago, you wouldn't remember, would you?

Mr. Bolan: Did you make it?

Hon. Mr. Henderson: I explained to the press that once we corrected the House of Commons and got the property cleared up for the courthouse—

Mr. Roy: Okay, but why is it going to take five years?

Hon. Mr. Henderson: —and once the decision was made to move ahead with the building—

Hon. Mr. Bennett: It takes time to make plans.

Hon. Mr. Henderson: —once that decision was made and once everything was in order to appoint an architect—

Mr. Roy: Two years. We're not building First Canadian Place.

Hon. Mr. Henderson: —past experience tells us that it takes ordinarily from one to two years for the architect to prepare plans and for a contract to be awarded and for work to start on the project.

An hon. member: Two years.

Hon. Mr. Henderson: Then, depending on the contractor you get, it could take one and a half to three years.

Mr. Conway: Oh, Claude Bennett can get one faster than that.

Hon. Mr. Henderson: All in all, you could read it either way, from three to five years.

Mr. Roy: You said five years.

Hon. Mr. Henderson: No, I didn't. I quoted to the press quite clearly three to five years.

Mr. Roy: Can the minister advise whether possibly the Treasurer (Mr. F. S. Miller) or somebody else got to him and said, "Let's delay this decision on spending money in Ottawa-Carleton to help us balance our budget"? Is he asking the people of Ottawa-Carleton to accept facilities which the citizens' inspection panel described just last week as being "inadequate, lack security, small and poorly furnished, poor acoustics, no smoke detectors or air conditioning" and so on?

How is it that on the one hand we have the Attorney General professing he's gung-ho on law and order and this minister on the other hand is delaying a process which would facilitate this? Why doesn't he put his money where his mouth is?

Hon. Mr. Henderson: For once the honourable member is correct. This building has been delayed, or any announcements. On December 16 I visited the federal minister in Ottawa. I requested property from him at that time. Let's add it up—December, January is one, February is two, March is three, April is four—that's five months and not a positive response. The five months' delay the member suggests lies right at the door in Ottawa.

Ms. Gigantes: I would like to ask the minister how much faster than five years he thinks the job could be done if there is a

dangerous incident in the Ottawa court facilities? That seems to get things speeded up in Ottawa.

Hon. Mr. Henderson: If the honourable member had been listening, I think I pointed out quite clearly, I said from 18 months to two years from the date we appoint an architect before sod turning takes effect, and then from 18 months to three years. I pointed that out quite clearly.

Mr. Roy: Why does it take five years?

Hon. Mr. Henderson: It is quite clear that the honourable member's party in Ottawa has not informed him of the plans. The majority of the building would be a new building.

Mr. Roy: What are you going to do tomorrow?

Hon. Mr. Henderson: No problem, that will all be corrected.

COMPLAINTS AGAINST POLICE

Mr. Warner: I have a question for the Solicitor General. Mr. Rodney Turner claims to have spent two hours of terror in a Scarborough police station. When will the minister present to this assembly a full report of the events, including the names of each police officer involved?

Secondly, will he also speak to his good friend, the Attorney General, asking him to bring forward legislation to correct a serious flaw in our system of justice by guaranteeing that each person in this province has the right to a telephone call at the time of arrest or detainment by the police?

Hon. Mr. McMurtry: I don't know personally about Mr. Rodney Turner's allegations. I will inquire and report back to the Legislature. I don't know the details of allegations made by the person referred to by the member for Scarborough-Ellesmere.

Mr. Lupusella: In view of the minister's concern in relation to highway safety and in relation to the question raised by my colleague, considering that too many incidents like the one raised by my colleague involving the public and the police officers have occurred in Ontario in the last few years, and remembering that the government promised—
[3:00]

Mr. Deputy Speaker: Order. I would say to the honourable member that this is not a supplementary.

Mr. Lupusella: Supplementary, Mr. Speaker: Is the minister willing to introduce legislation in this House establishing a citizens' complaints bureau to deal with these types of problems?

Hon. Mr. McMurtry: The whole issue of citizens' complaints is under review. I'd like to say that in the last year in particular the Ontario Police Commission has played a major and, I think, a very effective role with respect to the general policy relating to citizens' complaints. Since the Morand report into police practices in Metropolitan Toronto, the Metropolitan Toronto police department has upgraded its citizens' complaints procedures considerably. Given what has been accomplished, I want to make it very clear that I don't have any intention at this time of introducing legislation in this area. But we're going to keep it under continuous review in case the need arises where it would appear that we have got to the point, which I don't believe we have got to, where we can say to the police of this province that they are not to be trusted with respect to policing themselves. As far as I am concerned, we haven't reached that point, and I hope we never do.

Mr. Cassidy: You are going to put it off as long as you can.

TRUCK DRIVING LICENCE

Hon. Mr. Snow: Last Friday the member for St. George asked me a question concerning Mr. Norman Makela who has had his truck driving privileges removed because of his diabetic condition. The member was right when she stated that the gentleman had been driving heavy trucks for many years—I believe she quoted 30 years—with Imperial Oil and for quite a few of those years with his diabetic condition. But she also left the impression that Mr. Makela had not been grandfathered in as a truck driver when the driving licence system was changed.

It was because of Mr. Makela's past driving experience and a satisfactory medical report that the medical standards established under the classified drivers' licence system were waived and Mr. Makela was issued a class A licence in April 1977 during the one-year transition period. This licence was issued subject to Mr. Makela's diabetic condition remaining stable.

Unfortunately, in 1978 the ministry's medical advisory committee received new medical reports concerning Mr. Makela. I cannot go into details on these reports. I am sure the honourable members will remember when this legislation was changed about two years ago there was a special clause that I introduced into the legislation that makes all these medical reports confidential to the ministry. But suffice it to

say it left the committee no choice but to recommend that Mr. Makela's class A licence be downgraded to a class G licence.

As I have stated before, I very much sympathize with Mr. Makela and others with similar problems, but on the advice of medical specialists it is imperative that the privilege of driving trucks and buses be denied under these conditions for the safety of the general public using our highways.

FEDERAL-PROVINCIAL RELATIONS

Mr. Rotenberg: I have a question of the Premier. In the light of the election results on Tuesday would he care to comment on how this might affect federal-provincial relationships and specifically how it might affect our stand on the alleged problems of the constitution?

Mr. Warner: What a setup!

Mr. Peterson: Are you moving him to Jerusalem?

Hon. Mr. Davis: I know that all members of the House would join me in expressing to the Prime Minister-Elect the best wishes of all of us for what will be obviously a difficult and onerous responsibility. While we all had our partisan involvement in that particular campaign, it is over and I am sure all of us wish the Prime Minister-Elect and those who he will select to join with him, our very best wishes.

An hon. member: For an early retirement.

Hon. Mr. Davis: In case some members of the gallery were concerned about some of the notes appearing here and the large sums of money that were sort of arriving on my desk, I can only make it clear that if they were declared as income, they would still not offset what I have lost on certain other wagers, on certain other events. I just want to make that clear.

Mr. Roy: I am still way ahead.

Mr. Breithaupt: The Argo account.

Hon. Mr. Davis: That's right, but you know what I said, or you said I said, I really didn't say it—Joe Clark in the spring of 1979, the Argos in the fall of 1979. I might be half right.

Mr. MacDonald: What was the question?

Hon. Mr. Davis: The very important question from the very distinguished member for Wilson Heights, was how I perceive the events of Tuesday with respect to the federal-provincial relations.

I think I can express most subjectively that the events on Tuesday really are in the process of bringing about a new era in

federal-provincial relationships—a period of consultation, a period of co-operation, a period of setting of national objectives, and of dealing with the provinces as partners in Confederation. I am very optimistic that the changes that took place on Tuesday will be beneficial to the people of this province and the people of this country.

As it relates to constitutional discussions, I expect the Prime Minister-Elect will have this as one of his priorities. I think he understands the views of the government of this province that we support patriation but we are opposed to referendums. We think it should be done with respect to the amending formula on the basis of provincial co-operation consensus and agreement. I thank the honourable member for a question I was afraid no one was going to ask.

Mr. Martel: Is that why you planted it?

Mr. S. Smith: If I might just rise briefly on a point of order, Mr. Speaker: I just want to associate ourselves with the comments made by the Premier, the good wishes to be extended to the Prime Minister-Elect as he takes on his very serious duties which will be very important to the future of the country. We all wish him well in the assumption of those duties. I certainly want to associate myself with the Premier in that regard and I also want to just say a very brief word of tribute to the man who has been Prime Minister for 11 years and who has, at some considerable personal sacrifice, served the country that he loves and that he loves dearly, and served it very well.

Thank you very much.

JAMIE BONE CASE

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Labour. Is it true the Ontario Human Rights Commission has recommended that the minister call a board of inquiry to resolve the discrimination complaint of Jamie Bone, a former quarterback at the University of Western Ontario football team, against the Hamilton Tiger-Cats? If so, when will this inquiry be held?

Mr. Conway: The perfect union is in divorce court, I guess.

Hon. Mr. Elgie: Mr. Speaker, in response to the question, it is true I did last Tuesday sign an approval order, indicating it was in order for the human rights commission to proceed with a board of inquiry into the Jamie Bone matter.

Mr. Van Horne: Supplementary: Would the minister use the authority or power of his office to expedite this inquiry, particularly for rookies, in the light of the football season

being imminent? Secondly, when the inquiry is complete, would the minister share the findings of that inquiry with us and also with the federal human rights commission which is also interested in this and with the new Prime Minister who made a personal inquiry of Jamie Bone as late as last weekend? It will perhaps encourage him to see the federal human rights commission takes some course of action to see Canadian quarterbacks are not precluded from playing for Canadian football teams.

Hon. Mr. Elgie: I will be glad to indicate to the human rights commission the concern that all members have that this matter be heard as expeditiously as possible, and when the report is issued I will be pleased to share it with the members.

HAMILTON ROADS STUDY

Mr. Mackenzie: To the Minister of Transportation and Communications: Will the minister assure the people of the east end of Hamilton that they will not be pressured into a major north-south freeway through King's Forest and the Redhill Creek valley, that they are not dealing with a fait accompli, and that their views can reverse a decision that has the potential of destroying an ecologically fragile valley that is the last major greenbelt in the east end of the city?

Hon. Mr. Snow: I don't think I can assure the honourable member of that because the study is now being carried out, and I have not received a final report as yet. I believe the study is presently being presented to the region of Hamilton-Wentworth and the city of Hamilton, and this is a study being carried out jointly by staff and officials and elected representatives of the city of Hamilton, the region of Hamilton-Wentworth and officials of my ministry, with the consideration of consultants.

I wouldn't want to comment on the recommendations of that study until I have had an opportunity to read it and see what is recommended and what is the decision of the locally elected representatives.

Mr. Mackenzie: Supplementary: Mr. Speaker, is the minister not aware that the people of the east end of Hamilton have been presented with six potential routes, all of which go down the valley, which have been rejected now three times by the city of Hamilton and city council? Would he also lay to rest the public perception of virtual provincial black-mail, in terms of funds for other highway projects or roadway projects, if the people don't choose the valley route?

Hon. Mr. Snow: I don't know where the honourable member gets that kind of hog-wash because that is not the situation at all. It is NDP propaganda.

Mr. M. N. Davison: Will the minister explain to this House why he has not even read the studies that have been made available to people in the city of Hamilton when he is the Minister of Transportation and Communications? Doesn't he care about what is happening there?

Hon. Mr. Snow: That shows the ignorance of the people over in that corner, Mr. Speaker, because the study is being prepared by the staff—as I have already explained to his colleague, but obviously he wasn't listening—the staff of the region, the city, and with the co-operation of staff from my ministry. The study is not complete yet and I have not received it which is why I have not read it.

HAZARDOUS SUBSTANCES

Hon. Mr. Parrott: On May 11, the honourable leader of the third party asked various questions related to such chemicals as methyl yellow, benzidine and MBCA. These particular substances are classified as aromatic amines and they are also used in the manufacture of dyes, or are dyes in themselves. They are not manufactured in Ontario, but are used in the textile, paper, carpet, plastic and other industries.

I think that the main concern with respect to these substances is exposure to them by the workers in the various industries that use them, and the Ministry of Labour has occupational health guidelines which cover such hazardous materials. In fact, in the 1976 handbook, to which the leader referred, was part of a summary of the knowledge we had on these substances in relation to occupational health guidelines. The Minister of Labour may well have further comments to make relative to the safety of workers who are dealing with these substances. I want to stress the substances are not manufactured in Ontario and, of course, the greatest risk is in their manufacture.

The air and water monitoring we have done so far has turned up no indication of ill-effects on the environment by these materials; nevertheless, we are going to have the MacLaren study done so that we can be absolutely sure.

[3:15]

I think I should point out that the leader is a little in error when he says that the MacLaren study is being commissioned in order to control or limit the use of these

chemicals. As indicated in our written response to his party's critic some time ago, the substances are already controlled. Indeed, their use is decreasing as other substances which are less toxic become more readily available. I think it is a mistake to leave the impression that these substances had been freely available over the last couple of years without any controls.

Mr. Cassidy: A supplementary question, Mr. Speaker: Since these substances are being used by the ton in Ontario, even though they have been banned in some other jurisdictions such as West Germany, can the minister explain precisely what the MacLaren study is intended to create? Is it the government's intention to ban the use of these very hazardous substances, as has been acknowledged in the government's own hazardous products textbooks, or is the government simply going to leave these in use at the potential risk of workers in Ontario?

Hon. Mr. Parrott: Mr. Speaker, I do not think we can go around banning every substance that has some potential harm. That is a nice, idyllic world; it is not the way it is. We establish standards where the health of workers is protected under the other ministries. In that case, we have to expect that there will be some use of these materials—but under very controlled conditions. As I said in my reply, they are not being manufactured here, and they are used under very controlled conditions. Surely those conditions which the Ministry of Labour is prepared to administer are the safeguards that we want—that my friend wants and that I want. Surely he will accept that we cannot just ban every material that has any possible harmful effect. We would probably ban everything but water. That is just not the practical world in which we live.

Ms. Bryden: A supplementary question, Mr. Speaker: I understood the minister to say he was going to have further tests made on these substances. Is he planning to do these with his own staff, or is he hiring outside consultants for this testing?

Hon. Mr. Parrott: Mr. Speaker, I think the MacLaren report, when we receive it, will have a great deal of information. Obviously the members know that just last week, or the week before, we banned a particular material on the basis of scientific evidence. Frankly, the evidence is not all in on 2,4,5-T as yet, but we said we would err on the safe side; that is the basic philosophy of the ministry: to err on the safe side. But surely we should not just indiscriminately ban these materials until the evidence is all in.

We will be asking MacLaren to look at these hazardous substances, and many others, to recommend to us what they think should be done. In the final analysis it will be the staff of the ministry that will have to make the recommendations and, after that, I guess in the final analysis I will have to make the decision.

DREE PROGRAM

Mr. McKessock: Mr. Speaker, I have a question of the Treasurer. In view of the fact that the counties of Simcoe, Grey and Bruce and parts of the counties of Dufferin and Wellington were in the last federal-provincial Agricultural and Rural Development Agreement; in view of the fact that he stated recently that the federal government would not allow these areas in the new program; and in view of the fact that the Prime Minister said in the television debate that it was up to Ontario to decide which areas it wanted covered by the new Department of Regional Economic Expansion program—

Hon. W. Newman: You heard in estimates what happened.

Mr. McKessock: —which I think clearly showed that the newly decided upon areas were determined by a federal civil servant, against the government's expectations—with a new government elected but the same civil service in place, what does the Treasurer intend to do to see that our area is included in the new DREE program and that the same civil service decision does not remain?

Hon. F. S. Miller: Mr. Speaker, we will certainly discuss and, if necessary, fight with our colleagues to see that the areas we believe should be included are covered.

Mr. Breithaupt: Dissension already?

Mr. Conway: That was a very high tone that the Treasurer's eastern Ontario colleagues put on that debate.

Hon. F. S. Miller: I might say one thing about it: I have enough faith in the members who were elected this time—

Mr. Conway: The member for Renfrew South (Mr. Yakabuski) put a very high tone on that debate. He really ought to be congratulated.

Mr. Deputy Speaker: Order.

Mr. Conway: That will give the Tories two seats in Quebec for ever.

Mr. Deputy Speaker: Order.

Mr. Havrot: He's a mouthy little brat.

Mr. Deputy Speaker: Would the honourable minister continue?

Hon. F. S. Miller: The fact is I really do believe that the people who are elected now probably can govern the civil service.

Mr. McKessock: Does the Treasurer agree with the Minister of Agriculture and Food and myself as well as, I am sure, the member for Wellington-Dufferin-Peel (Mr. J. Johnson) and the member for Dufferin-Simcoe (Mr. McCague), that the areas that were covered under the old program should also be covered under the new program?

Hon. F. S. Miller: Mr. Speaker, some of those areas were not included in the discussions that were going on. The federal government never even brought them into the discussion. The areas that were included for very early discussions were Grey and Bruce. Simcoe as I recall, although the province asked that parts of it be covered, was not ever considered by the federal government.

Mr. Gaunt: Since the minister has indicated that he intends to negotiate with some vigour in respect to including the areas mentioned in the new program, when will those negotiations start, and when does the minister anticipate getting results from the new federal government?

Hon. F. S. Miller: First, I have to find out with whom I am negotiating. Once that decision is made, I can assure the member we will start the approaches very quickly and pursue them assiduously.

INMATE EDUCATION PROGRAMS

Mr. Cooke: Mr. Speaker, a question to the Minister of Correctional Services: I would like to ask the minister what rationale he used in closing the education programs at the Windsor, London, Hamilton, Ottawa and Toronto East detention centres. Would the minister not agree that the elimination of these programs is a step backwards in the helpful process that has been developed by the former minister? Would he not also agree that the education program was a very important aspect of the rehabilitation process in the detention centres?

Hon. Mr. Walker: Yes, Mr. Speaker, the education program is very good for rehabilitation. Regrettably, in the short-stay institutions like the detention centres and jails to which the member made reference, the average length of stay is about two weeks. That is not enough to provide a suitable period of education. We have therefore concentrated our education provisions in the longer-stay facilities, and education will be continued there at an increased rate.

Mr. Cooke: Supplementary: If this program was not useful, why does Mr. Hildebrand and the education staff at the Windsor jail say it was useful? Since such programs as remedial reading, English and mathematics were being offered, does the minister not think these types of programs are crucial if these inmates are to develop the skills necessary to survive in our society once they are released? Does he not also agree that there are inmates who remain in the detention centres and jails for a considerable period of time?

Ms. Gigantes: For a year.

Hon. Mr. Walker: Where education is useful, in the long-stay facilities, it is being provided.

Mr. Cooke: Why don't you just tell us about the budget cut?

Hon. Mr. Walker: In the short-stay facilities, it is not being provided.

Mr. McGuigan: Supplementary: Doesn't the minister realize that many of those residents are crying for an opportunity to at least begin their education, and that anything he can do, even on a short-term basis, provides an entry for them into the educational system? I think that something like 16 per cent of them have only a grade five reading comprehension level. Anything the minister could do, even on a short-term basis, would be of great benefit. Doesn't the minister realize this?

Hon. Mr. Walker: We are certainly well aware of the value of education. In some respects, with respect to short-term facilities, community resource centres and temporary absences are being used to permit the individuals to be provided with education within the community, where we think it can be delivered quite well.

WILD RICE HARVESTING

Hon. Mr. Auld: Last week the member for Algoma (Mr. Wildman) asked the Premier (Mr. Davis) what measures he was willing to take to ensure that all those concerned will realize that there is an appearance that no favouritism will be involved in the awarding of wild rice harvesting licences in the north-west. The Premier said he would be delighted to discuss this with me and that I would have a short, concise answer today.

Prior to 1978, wild rice harvesting licences were issued on a first come, first served basis by our offices, with the exception of a number of registered areas which had been licensed to native people since 1960. I'm informed that over 200 licences were issued up until 1978 when honourable members will re-

call that as a result of the Hartt commission the government declared a moratorium on further licences in the Dryden and Kenora area except to native people.

The member also asked me about Mr. Ratuski and his company, the Shoal Lake Wild Rice Company, which, he said, held 28 licences that covered more than 2,000 lakes and waterways. Actually, Mr. Ratuski has 18 licences, and there is no way the area covered there would include 2,000 lakes and waterways.

REPORTS

LANARK COUNTY BOARD OF EDUCATION

Hon. Miss Stephenson: Mr. Speaker, I am tabling today a report which I requested from the provincial auditor on grant payments for transportation to the Lanark County Board of Education.

It had become evident, in the course of a review by personnel of our eastern regional office, that certain of the board's bus routes were significantly shorter than had originally been recognized by the board as a basis for its payments to the contractor and its claims to the ministry for the grants. Since some public disagreement had been expressed about the amounts involved, I felt that it was important and desirable to ask the provincial auditor to investigate, as provided under section 17 of the Audit Act, 1977.

The report shows that the board has taken proper action to correct the situation. It also shows that the decision of our regional office to investigate the matter was clearly justified. I appreciate the assistance of the provincial auditor in this matter and the co-operation of which was extended to his staff by the Lanark County Board of Education and its officials. The recommendations in the report are now being studied in the ministry to determine the best way of putting them into effect.

I have noted the discussion about this report in the standing public accounts committee and I'm asking the Clerk to make copies available to that committee as well.

SELECT COMMITTEE ON HYDRO AFFAIRS

Mr. MacDonald from the select committee on Ontario Hydro affairs presented the following interim report and moved its adoption:

The purpose of this interim report is to bring to the attention of the Legislative Assembly a matter of compelling importance requiring its immediate attention. The com-

mittee's terms of reference, approved by the assembly on November 24, 1977, ordered the committee: "To examine Ontario's nuclear commitment."

During this ongoing examination, the committee on May 23 by a vote of five to four adopted the following motion: "That the government order Ontario Hydro not to start up the NPD reactor at Rolphton until the committee concluded its consideration of the matter."

Hon. Mr. Welch: Mr. Speaker, in keeping with the procedure as recommended by the procedural affairs committee, it's my understanding now that the chairman of the Hydro affairs committee will move the adjournment of the debate and it will then go on the Order Paper so that we might call this item.

I would remind the House that that is the understanding at the moment. I would invite the chairman of the committee to move the adjournment of the debate, in accordance with the standing orders.

On motion by Mr. MacDonald, the debate was adjourned.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Welch moved that private members' ballot item 20, standing in the name of Mr. Kerr, be debated on May 31, and such remaining ballot items standing in the name of a member of the Progressive Conservative caucus be similarly advanced in the schedule of items to be debated.

Motion agreed to.

[3:30]

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Welch: Mr. Speaker, before the orders of the day I would like to table the answers to questions 174 to 178 standing on the Notice Paper. (See appendix, page 2161.)

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Pursuant to standing order number 13, I wish to indicate to the House the order of business for the remainder of this week and next week. This afternoon we will consider ballot items numbers 15 and 16; this evening we will go to legislation, starting with Bill 34 in committee of the whole House, then second reading of Bills 87, 32 and 33, along with Bills 43, 44, 45 and 17 and any committee work which follows.

On Friday, the House will sit in committee of supply, to continue with the estimates of the Ministry of Northern Affairs.

On Monday, May 28, the House will sit in committee of supply to continue consideration of the estimates of the Ministry of Northern Affairs.

On Tuesday, May 29, in the afternoon, we will go to legislation, dealing with Bills 29 and 25 in committee of the whole House. In the evening the House will be in committee of supply, to conclude the estimates of the Ministry of Northern Affairs. I would repeat that: on Tuesday evening next, we are going into committee of supply to complete the estimates of the Ministry of Northern Affairs.

On Wednesday, May 30, the resources development, general government and justice committees may meet in the morning.

On Thursday, May 31, in the afternoon, we will consider ballot items standing in the names of the member for Burlington South (Mr. Kerr) and the member for Lincoln (Mr. Hall). In the evening, we will consider Bills 71, 93 and 94, both second readings and committee of the whole House, as required; and, if time remains, we will resume the budget debate.

On Friday, June 1, the House will sit in committee of supply to commence consideration of the estimates of the Ministry of Intergovernmental Affairs.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

PROGRAM COST DISCLOSURE ACT

Mr. Van Horne moved second reading of Bill 69, An Act to provide for the Disclosure of Information relating to the Financial Cost and Economic Impact of Government Programs.

Mr. Deputy Speaker: The honourable member has up to 20 minutes.

Mr. Van Horne: Mr. Speaker and members of the assembly, I would like to start off by suggesting that this bill is presented to the assembly with the very sincere hope that every member will be allowed to vote on this bill according to the dictates of his or her own reasoning—

Mr. Warner: Don't bet on it.

Mr. Van Horne: —and with the sincere hope that no one party will attempt to block the vote.

This bill, An Act to provide for the Disclosure of Information relating to the Financial Cost and Economic Impact of Government Programs, is also presented as a sincere

attempt to provide a framework of financial accountability for the government of Ontario. If adopted, it will also provide all elected members with sorely needed background information to assist them in the decision-making process.

When I first came to this Legislature in 1977 I was amazed at the lack of information given to members before they were called on to vote approval of budget estimates and items brought to the House. That is not to suggest that information might not be made available if it had been sought by me or, for that matter, by any member. As a matter of fact, in some instances I had more than adequate background costing data supplied to me—for example, in the case of reviewing costs at the Ontario Institute for Studies in Education. On the other hand, I could find numerous examples of situations in which I was not able to get very much background information on program costs.

I use here, as an example, the heritage language program which was introduced in the fall of 1977. This program is a prime example of the need for such legislation as would be provided by Bill 69. I say this because I am convinced that 90 per cent of the members of this House—and perhaps I am being generous here—haven't got a clue about the cost of the heritage language program.

I am not, and I repeat not, being critical of the program, its aims or objectives or of the merits of the program; but I am being critical of the fact there was virtually no indication of how the estimated cost of \$1 million to \$2 million was arrived at. We learned very quickly that the cost of the program in Metro alone would exceed \$1 million. In fact, the cost in the whole province in that first year of implementation of the program was going to run between \$3 million and \$4 million—approximately double the original estimate.

I would like briefly to review the seven sections of the bill before I give any more illustrations of how it might have been useful in curbing costly government programs that have helped to put the deficit of this province in the state it now is.

The first section of the bill defines auditor, program and public money. In a sense the terms are self-explanatory but the word "program" requires a further word of explanation. It is the intent of this bill that any and all programs, projects, works, undertakings or services that are considered by executive council and approved by them for implementation be included under the terms of this act. This definition would serve to prevent

any government in Ontario from drawing an arbitrary bottom-dollar cost below which they could possibly act without informing the House according to the stipulations of this bill. It would in other words, make the government deal carefully with all amounts of money, large and small.

Section two in a sense is the heart of the bill. This section puts some teeth into the standing orders of our Legislature. I am referring now to the little booklet we all have at our desks, Standing Orders Approved by the Legislative Assembly, Thursday, December 14, 1978. If members wish to make reference to it, page 10, section 32(c) indicated: "on the introduction of a government bill, a compendium of background information shall be delivered to the opposition critics. If it is an amending bill, an up-to-date consolidation of the act or acts to be amended shall be delivered to the opposition critics unless the bill amends an act amended previously in a session."

Perhaps that is fine as far as it goes, but these compendiums for the most part are really not very helpful in determining program costs or economic impact. By the way, my colleague from London Centre (Mr. Peterson) will have more to say in this debate about economic impact.

Many compendiums are not much more than a summary of background reading material or recent research papers with very little financial or economic information in them. I have brought along with me one example. If any members in the House haven't had the experience of looking at a compendium, I would like to show them the size of the compendium that was supplied with Bill 25, An Act to amend the Labour Relations Act.

What do we find in this large pile of paper? We find a report of the industrial inquiry commissioner concerning grievance arbitration under the Labour Relations Act, a copy of the act, a copy of the Ontario Labour Management Arbitration Commission Act, various documents submitted to the Kelly commission. In summary, having looked through all of this, we still find ourselves looking for some indication of what the cost of implementing this bill, if it were passed, would be.

In other words, "compendium" as it is defined in the standing orders, or as it is understood by the members of this Legislature, is not good enough. This bill would hopefully allow for a much more complete compendium of costing data and other financial data that is required before members can properly and thoroughly think out a proposition brought to them and vote on it with any kind of intelligence.

I would point out further it is the intent of this section that once any program is approved by executive council through either legislation or regulation or internal policy, then this section would apply. I would repeat that. The intent of this section is once any program is approved by executive council through legislation or regulation or internal policy procedure, then this section would apply. That too, then becomes an extension of standing order 32(c) and makes 32(c) of necessity, something that would have to be changed.

Section 3 of the bill requires our ministers stay on top of program costs under their jurisdictions. Programs that exceed or will exceed estimated total costs will be reported in a cost-excess statement. Secondly, the new cost of these programs will be reported in a supplementary cost-excess statement. That is the reason for the first and second sections. All members will be able to assess if program costs are being effectively projected and it will also assist ministers and members in effectively dealing with supplementary estimates in any program prioritizing. This, of course, is further defined in section 4 of the bill which requires an auditors investigation into the requirement of a cost excess statement or a supplementary cost excess statement.

Section 5 of the bill ensures all members of this Legislature are notified of any proposed expenditures through the filing of compendium data with all members, the auditor, and the public accounts committee. As far as the public is concerned, that public which we all serve, it will be provided through the central office of the ministry concerned. If anyone chooses to look, it would be there available for her or for him to see.

If I may stop and digress for a moment from the prepared text I have, it may seem of itself to be onerous and costly but I would submit to you—and I'm pleased the Minister of Government Services (Mr. Henderson) is here. A question was put to him last week by one of my colleagues about the use of ministry computers and that was quite coincidental to my being asked to speak in London, Ontario, last night to a group of data processing students from as far away as Sarnia, Seaforth, Windsor, and other places in southwestern Ontario. In order to speak properly to these students I had to contact some of the very well trained, very dedicated people who are working in the member for Lambton's ministry—for example, Mr. Leo Belanger.

Mr. Belanger was able to supply me with very strong evidence that the capacity of the

data-processing facilities in our three major data-processing centres of the ministry and the Ontario government are very capable of supplying the kind of data that would be required by this bill. We've got the resource and I would submit to the minister, it's incumbent upon the government to use its own data-processing equipment and the expertise of its staff to provide the information that would be required by this particular bill. It's not an impossible task. The minister's people are capable. In fact, they can do this at a cost that would not be horribly high. As a matter of fact, it would end up saving us money as we would be better money managers.

The last two sections, as I mentioned, are the routine sections that require no further definition at this point. Let me address myself to what I think should be a major concern of any member of Parliament, provincial or federal.

During the recent federal campaign TV debate on May 13, our new Prime Minister spoke of the power of the House to control spending. Those members who watched the debate will recall in the last section of the program, the last half hour—

[3:45]

Mr. Nixon: Trudeau won that hands down.

Mr. Van Horne: —the major topic was the power of the House to control spending.

Mr. Peterson: A great debate.

Hon. Mr. Henderson: Not true.

Mr. Van Horne: I want to quote our new Prime Minister, the former Leader of the Opposition. Our new Prime Minister said: "The Liberal government has inadequate control over public spending." I am sure that that comment has been made in this House about the Conservative government of Ontario—"inadequate control over public spending." Both he and the Liberal leader agreed that there was a very evident need to tighten control and they went on to sing the praises of the report of the Royal Commission on Financial Management and Accountability, or, if you will, the Lambert report.

It is interesting that our legislative library has only two copies of this report. I would submit, Mr. Speaker, that in the light of these days of restraint et cetera, we should encourage every member to do as I did and spend \$8.50 to get his or her own copy and let it become his or her Bible. If members of the assembly want to make a serious job out of being a member, this should be required reading. It's called the report of the Royal Commission on Financial Management

and Accountability. It was published in March of this year. The chairman of the commission was Allen Lambert of the Toronto Dominion Bank and I am sure all the members are aware of him. This is a must to read. The two leaders as well as the leader of the third party, Mr. Broadbent, have made reference to this royal commission report.

The media is fast becoming aware of the Lambert commission report or this royal commission report as witnessed by a May 21 article in the *Globe and Mail*. The title of this article, which I am holding up for any of you who care to look at it, is "New Government Must Fight to Take Control," May 21, 1979. The author is Wayne Cheveldayoff and I am going to quote a word or two from it.

"The new government will need every gram of imagination and courage it can muster to deal with these two problems." The problems, of course, are the size of the deficit and the number of people unemployed.

"The bureaucracy will not be easily moved," it goes on to say. "After two years of careful study, we have reached the deeply-held conviction that the serious malaise pervading the management of government stems fundamentally from a grave weakening, and in some cases an almost total breakdown, in the change of accountability, first within government and second in the accountability of government to Parliament and ultimately to the Canadian people." I would submit to you that that statement could be reiterated for the province of Ontario.

That article ends up by saying: "Ultimately, either the Canadian public regains control of the extravagant dinosaur or the piling up of debts for future generations will continue and further deepen our distrust of the political process." And if you don't think there is some distrust of our political process, Mr. Speaker, answer me this—why were all 13,000 copies of the first printing of Ed Murphy's book, *A Legacy of Spending*, which was certainly a condemnation, a litany of the sins and errors of the federal government over the last few years, sold out in one week? I am sure when I retire from here I could do the same thing, write about a legacy of spending in Ontario and probably assure myself of a better retirement pension than I will get as a retired member of this place.

The point is, the public is concerned and we, as members, should be concerned.

Mr. Speaker, one cannot help but agree with the Lambert report's introductory comments which observed that "it has become apparent that the management of government requires greater attention from Parliament,

ministers and public servants than it has been given in the recent past.

"Programs and activities must not be approved without more carefully defined goals and objectives, and a realistic forecast of costs. Parliament should pursue more vigorously its role of holding the government to account. The cabinet and individual ministers should provide more leadership and direction to officials to ensure that they administer their operations with economy, efficiency and effectiveness, and should be more directly involved in holding them to account for carrying out their assigned tasks.

"In addition, the unsustainable rate of growth of government and its complexity"—my understanding, by the way, is that we have over 60,000 civil servants; I am not sure if the minister could verify that, but that is the number that I have, 67,000, and that is certainly a large number to deal with—"and size make it increasingly obvious that there needs to be greater care in the use of resources that have been entrusted to government. Not only is waste to be avoided, but in the context of today's fiscal situation and the pervasiveness of government activity, managers in the public service are being challenged to rediscover a sense of frugality and a commitment to the careful husbanding of resources.

"The system should be capable of planning and defining the government's priorities; converting priorities into programs with clearly defined and agreed objectives, allocating the requisite resources and setting centrally-imposed standards and procedures; delegating to managers the authority to implement programs by developing the assigned human, physical and financial resources; and providing monitoring and appraising procedures to ensure that all the actors are held fully and clearly accountable in a progressive and unbroken chain of linkages carrying through to the sovereign Parliament."

There is no question that our province's deficit, whatever it is, whichever set of numbers we wish to look at—\$1.3 billion is a popular one—is so large because of many factors we can all speak to: inflation, productivity, international money markets, increasing demands for social services, to name only a few.

The factor which our present Conservative government here in Ontario shrinks from, in my view, is financial management and accountability. How accountable was this government in the affairs of the Ontario Land Corporation? In an exclusive Toronto Star article on May 5 this year, the indication was that taxpayers are responsible for carrying

charges of \$28 million on a \$311 million costing in the land-banking programs.

I could go on with other examples, Mr. Speaker, I realize my time has lapsed, but I do want to say very sincerely in conclusion that I hope that the members consider these thoughts carefully and that they use their individual judgement in voting on this. Thank you, Mr. Speaker.

Ms. Bryden: I find this bill preoccupies itself with formalities rather than with substance, and that it is what too often comes out of the other opposition party, I am afraid, because I don't think legislating a government into this kind of action is going to produce results. It is going to give the government simply another excuse for inaction.

Any government that is not already preceding any new program or new activity with studies of the sort requested by this bill is a government that should be changed; it is beyond hope, and I don't think legislation of this sort can improve the matter. What we need is a government that believes in planning and in action, and this legislation will simply substitute studies for action and will encourage governments to hire a lot of high-priced civil servants and outside consultants—

Mr. Peterson: Have you read the bill? You are so far wrong that you should sit down right now.

Ms. Bryden: —to carry on spending taxpayers' money in that way, instead of using the taxpayers' money to deliver services to people.

There are two main reasons why I am opposing this bill. One is that it suggests that the studies required should happen only at the stage when the executive council approves the implementation of a program. That is far too late for any such studies to be undertaken. If they have not been undertaken already, the program cannot possibly be presented to the House or to any estimates committee, where money will have to be voted, with any sort of confidence or any opportunity for attaining approval of the program.

For a new program which requires legislation, it is already required that a compendium of information be presented at the time of the introduction of the bill, which would summarize presumably what studies have been done. They may not all be as full as is requested in this bill, but it is up to the members to keep demanding the additional information when the bill is going through.

If it is a program which does not require legislation, it has presumably gone through the stages of the policy field committee—

Mr. Peterson: The honourable member does not understand the rules.

Ms. Bryden: —the policy and priorities board, the Management Board of Cabinet and the cabinet. If this kind of analysis has not been done, then I do not see how those committees could have even considered it.

While I do not disagree with the member's bill in that we need this kind of analysis and we need an assessment of the number of jobs that will be created by each program, I just think he is going about getting it in the wrong way. He is trying to impose a legislative straitjacket on any government in power instead of letting the government do its pre-planning and then come to the House with a program that is not only planned, but on which it is ready to act. This will simply delay action for a considerable period and give the government a good excuse for delaying action, which it uses far too often anyway, by referring matters to committees.

Also, the bill really substitutes a new form of accountability on top of our present form of accountability in the House which is the estimates procedure and the supplementary estimates procedure. I do not think either of those procedures are perfect and I think we need a lot of improvements in them, but I do not think we need a third system imposed on those two. It is much better to improve them. For instance, one of the main things we need before we can really evaluate what kind of studies the government has done is a freedom of information act. When we get that, we will be able to have full access to all the studies the government presumably has done and be able to ask them long before we get to the implementation stage, and long before we even get to the introduction of a bill stage, what studies are being undertaken. That is essential and an alternative to this bill.

We also need the rules of the House strengthened regarding the tabling of compendiums of information. At the time ministerial statements are presented, there should be a similar compendium to what is presented at the time a bill is introduced. We also need to know the effect after the new program is put into operation. For instance, we have never yet been able to find out from the grants given under the Ontario Development Corporation whether any of the grants actually produced the number of jobs the government said would be produced by a given grant. That sort of analysis after the program is in effect would be far more useful than some of the pre-analysis which simply gives

a forecast while we never find out whether they are carried out.

We also would like to know the results of the tax concessions which the government gives to industry after they have been given with the promise that they are going to create so many hundreds of jobs. Every year there should be a report not only on the value of the tax concessions that went to each company, but what they actually produced for this province. Those are known as tax expenditures in the jargon of the tax people. We do not have any accounting of those tax expenditures. All we know is what the government itself spent through the money we voted to it.

[4:00]

We also need more vigorous reviews of what are known as ABCs—agencies, boards and commissions—of which we have more than 300 now. The agencies review committee has so far only dealt with 47 of that 300, and I think they've only decided to discontinue about seven. So there is a big area for examining the economic impact of government activities—that is, of existing government activities, not just new ones.

The government also seems to delight in forms rather than action, in that periodically they go through this alphabet soup in their attempt to evaluate their activities. We used to have PPB, which is program planning budgeting. Then they substituted MBR for that, which was management by results. Then they tried ZBB, which is zero-based budgeting.

But none of these seem to have produced any real results in giving us an analysis of how many jobs the government is creating and what sort of productive efficiency it is able to measure in the delivery of services. It seems to me, mainly, that these programs are a smokescreen designed to indicate the government is attempting to evaluate its programs; really it is not willing to tell us what sort of improvement in services to people it is able to bring in.

Even the estimates books have only been improved very slightly. I can remember 10 years ago when I was research director for this caucus, it was our caucus which persuaded them to bring in the standard accounts classification. This is now a part of the budget books and enables us to look at the total amount spent on each standard subject like salaries, travel and things of that sort. Before that, they never added those things together for every ministry and they had no idea how much they spent on each category.

They still don't give us last-year figures in the estimates book on the individual items,

only on the totals. They still give us descriptions of the programs in the estimates books that are a laugh. They are an exercise in meaningless words that do not really tell what the program is aiming to do. They only cover everything the ministry might like to cover. If one asks them how they are implementing this particular wording, they can't really say.

We still don't get enough background information in the estimates book for the estimates. They don't compare the number of employees who are on contract and who are in the public service year by year so we can see whether they are actually increasing the contract employees at the same time as they may be appearing to decrease the public servants.

Mr. Acting Speaker: The honourable member's time has expired.

Ms. Bryden: To sum up, while I agree we need much more information and analysis, I don't think this is the right vehicle for it and it would put us in a legislative strait-jacket.

Hon. Mr. McCague: Mr. Speaker, I commend the sentiment of my colleague from London North but I am very confused as to why he would introduce a bill such as this. That confusion arises from the fact the government, in a very routine manner, currently assesses all the factors concerning past and new programs that this bill seeks to have included in the proposed compendium.

Furthermore, these assessments, carried on primarily within the ministries responsible for various submissions, are by no means withheld from legislative scrutiny. Certainly, and sensibly, any assessment carried out in connection with the cabinet's decision-making process, or its policy formation, should not be subject to mandatory public disclosure.

By and large, however, these matters which comprise the facts and statistics upon which government programs are planned are brought to the attention of all parties in the House during the annual estimates debate. As we all know, it is at this time the detailed listing of the amounts of money the government proposes to disburse for the fiscal year are made by each ministry. The estimates are set out in the prescribed format for review and approval by the Legislature. Since 1963, the cost breakdown of wages, salaries and maintenance, or in other words the standard accounts, have been presented on a program-by-program basis with accompanying program and activity description.

I think it is worth emphasizing, since section 3 of Bill 69 addresses itself to this,

that the funds appropriated in the estimates cannot be exceeded except through special approvals such as supplementary estimates or special warrants.

In pointing out the obvious, I merely wish to draw to the attention of members the fact that while accountability is the essence of the democratic process, there is more than one chain of accountability in the parliamentary government which we practise. Ultimately, the government and all members of the assembly are accountable to the taxpayers of Ontario, but first and foremost the government is accountable to the Legislative Assembly since it is only with the confidence of a majority of the members that it can continue to exercise the responsibilities of office.

The estimates, then, are the traditional, and certainly the most significant, means of achieving accountability because they form the basis of government requests to the assembly for authority to spend money.

It warrants mentioning that certain improvements have been made in the presentation of the estimates.

For example, we now include approved or actual estimates figures from previous years through which comparisons and better appraisals can more easily be made. As a routine procedure in the estimates review, the government now supplies the opposition critics with supplementary information prior to the commencement of the review process. This information elaborates on both the program description and numerical content of the printed estimates and is seen as a method of ensuring a more complete analysis of each ministry's fiscal plans.

The Management Board of Cabinet requests ministries, normally in the fall of the year, to submit their proposed estimates for the coming fiscal year. Each submission is guided by directions developed through the multi-year plan, which will also serve as a basis for developing the estimates that are presented to the Legislature. The financial data contained in the submissions is only one of their components, since other information is necessary for internal planning and control purposes. I should say it is what I view as a third chair of accountability in addition to those which I referred to earlier.

Cabinet and the ministries must provide the leadership and direction to their officials so economy and efficiency within government operations can be maintained. To this end, accompanying each proposal or submission to cabinet is precisely the kind of economic impact evaluation referred to in Bill 69. In short, any new policy being considered is

evaluated from both a private and public sector economic standpoint.

Specific areas considered are: Job creation and/or job loss; effect on investment capital; encouragement for the formation of new business; duplication of the intent and functions of existing organizations; effect on consumer prices; reduction of the incentive to work; and cost of compliance.

In terms of the public sector, the effect on the government work force and on the particular ministry's resource base are closely examined. Finally, reasoning must also be provided in cases where no economic impact is expected.

The Management Board of Cabinet, in its role as general manager of government operations, requires that each ministry quantify in specific terms a statement of results to be accomplished by the use of the funds it requests. The ministries, by agreement with Management Board, commit themselves to the achievement of results over the course of the fiscal year. The results are calendarized and records are maintained, thus providing the basis on which planned results are carefully compared with the actual results. In this manner, the board exercises control over the expenditure of public funds.

I am personally of the conviction that the government is successfully achieving that measure of internal control which is necessary to maintain the principles of accountability.

Mr. Peterson: What about the opposition? What about the rest of the Legislature?

Hon. Mr. McCague: The Lambert report, I might say, is really a blueprint of what we are presently doing in Ontario.

Mr. Peterson: What about giving the opposition access to that report?

Mr. Bolan: He says it with a straight face too. Who writes your speeches?

Hon. Mr. McCague: One indication of the effectiveness of this system is that actual spending has come well within estimates for the third year in a row.

Some comment on section 4 of Bill 69 is also warranted. I fail to understand why a provision is included for an auditor's inquiry where a cost excess statement would be required under this act, since this would be done, and is currently done, as a matter of course under present legislation.

Section 12(2) of the act to revise the Audit Act, 1977, outlines the contents of the provincial auditor's annual report. This section of the act serves to illustrate the recent increase of broad examination powers given to the auditors by the amendment. The new

provisions allow the auditor to report on cases in which he observes that money is expended without due regard to economy and efficiency, or occasions on which procedures to measure and report on the effectiveness are not established by ministries, or where established these procedures are not satisfactory. Since the auditor's annual report is delivered to the Speaker of the assembly after the public accounts committee has laid its report before the House, one assumes the issues or cases of inefficient spending are brought both to the attention of members of the Legislature and the members of the public.

By way of conclusion, I would like to state that in so far as this bill attempts to make public certain information upon which policy decisions are made, this provision deals with issues currently under review by the Williams commission. The Commission on Freedom of Information and Individual Privacy was established in 1977 to study and report to the Attorney General on ways and means to improve the public information policies of the Ontario government, as well as its relevant procedures and legislation.

The commission has been directed to examine public information practices and developments of other jurisdictions in order to consider possible changes which would be compatible with our parliamentary traditions. It will ultimately also identify categories of information which should be exempted and applied in Ontario. I do feel we should await the commission's final report before taking legislative action. The freedom of information commission will, I am sure, define in detail its findings and opinions on the information regarding government programs and executive decision-making. For this reason, and those I have mentioned, I would urge the members of this House not to adopt this bill.

The honourable member for London North (Mr. Van Horne) did mention early in his remarks that he was getting more than adequate information when he asked for it. He did mention some difficulties in establishing a cost for the heritage language program. I think he well knows that is a very difficult cost to establish because it is voluntary at the school board level and it was very difficult to know how many would take on that program.

As for the number of people in the employ of the government now, I am told it is between 82,000 and 83,000. The member for Beaches-Woodbine (Ms. Bryden) did mention that we were finagling the figures. That is not so. There has been some increase in the number of civil servants and a reduction in the number of contract people. That varies

back and forth a little, but we are getting them practically all on to the regular civil service now and the contract employees have been reduced.

I do commend the member for Beaches-Woodbine for the comments she made at the beginning of her presentation in that we are really doing what is mentioned here in the bill. We are trying and are accomplishing a great deal from time to time in the whole area the honourable member mentioned. More information, improved reporting systems, approved accountability and improved productivity are all important.

Mr. Peterson: I am very happy to rise in support of my colleague's bill. May I compliment him? It is exactly the kind of legislation that is needed in this House.

Frankly, I am quite astounded by the naivety of the remarks of the member for Beaches-Woodbine. She is one person whom I thought would have some appreciation for the necessity of this kind of discipline in government behaviour and government expenditures. I have only one of two conclusions: either she doesn't understand it or doesn't care. I would have to conclude probably that she doesn't care. She mentioned that we need more action. She resorted to the old socialist diatribe on income redistribution and everything else, in my opinion without once addressing her mind to the principles inherent in this bill. I wasn't very happy with it.

[4:15]

She said in her speech that we needed freedom of information laws and went into a speech about that. What does she think this is? This is freedom of information. We are starting somewhere; we are starting to put some discipline into government, to force it to come to the Legislature and give us some rational basis upon which to check its expectations against what was actually accomplished.

The minister chatted about what's been done already and said, "We're already doing it. They are fine people. They are a model for the Lambert commission. People in the ministries are concerned about efficiency, productivity and all other good things." But they aren't prepared to bring it to the House. The compendium of information brought to committee of supply is not what we're talking about here. It's one possible part of it, but that is not the kind of discipline this bill is asking for. We are asking to know, fully, the government's intentions for every piece of legislation introduced into this House and what it's going to do in a variety of different

areas—things like balance of payments, job creation, the effect on the incentive to work; all the other kinds of financial indicators by which, and only by which, some kind of effective measurement can be made of a program.

The reality is that when a bill is brought into this House the minister usually doesn't even make a comment. We are presented with the bill; and one or two or three weeks later we stand up on second reading, and usually the critic from the official opposition starts with the first speech, then it goes to the member of the third party and eventually the debate goes back to the minister. The minister doesn't have to justify; he doesn't even have to speak, he doesn't have to do anything. The opposition is left only with the information they root out themselves. The opposition has no idea what the government's expectations are. They have no idea what the government expects to accomplish except what they surmise or read or pick up in the newspaper or extract from the civil service.

We see a lot of government decisions made—and I go back and quote my little friend the Treasurer from Muskoka (Mr. F. S. Miller), who said: "You know, I make a lot of decisions on impulse." We get that feeling from the government. If every bill were brought in here with a specified set of expectations, we could look at it a year later and see if the government was right or wrong. Not only would it force a discipline on the government which I think is so very important, it would also allow it to be aired publicly. It would allow the government programs to be scrutinized and we could make sure that what we collectively wanted accomplished was being accomplished.

I can tell you another thing, Mr. Speaker, it would dramatically improve the quality of debate in this House. We would all end up talking about the same things because we could measure those expectations.

I don't think the process we are involved in now is serving this House well. The government says: "Well, we do this during estimates." I can tell you, Mr. Speaker, it isn't done during estimates. That is usually after the money has been spent and it doesn't necessarily apply to legislation but rather on a department basis. We have the complement of staff, but there is no cost benefit analysis, it's just a bunch of statistics. As I said, we have that after the money has been spent, not before the money has been spent; and if those estimates are varied one penny, of course, it's a matter of confidence.

The estimates debate has become a meaningless waste of time for most of the members and most of the ministers. It's our collective

fault. As an opposite member let me say I am very sad about that. Another day, in another debate I am going to speak about that at great length, because I think the estimate procedure in this House has deteriorated to a deplorable level. Obviously we need a forum for general debate, and maybe we should use throne or budget or something else; but the meaningless diatribes that go on, the constituency things aired and all the time involved, the obfuscation by the ministries, all the people hauled in, has become in my opinion almost a waste of 420 hours. It's an indication, collectively, how seriously we take that process, inasmuch as rarely, if ever, have those 420 hours been used in total; and we have to do something about that.

So don't come into this House and tell me the estimates procedure is an effective device to measure the efficacy of government legislation, because it is not. It is after the fact and the information is not presented there in the way this bill asks it to be presented on a specific, bill-by-bill basis. I want the minister and the honourable member for Beaches-Woodbine to understand that what they address their minds to is not what is being addressed in the bill of my colleague and my friend.

Mention has been made of the public accounts committee where we have scrutiny through the provincial auditor. Again, that information is a year or two years old, having all been analysed. The committee goes through it and questions various witnesses. I happen to sit on that committee, and never is that committee able to get its hands on the person who actually made the decision because he has been moved somewhere to another department, moved up or down, or has done a lateral arabesque.

It is impossible to get any kind of precise information about who made the specific decision. It is a most frustrating process. Then we file a report, and the government gets that report and files it in the garbage can. Members of this assembly have no influence whatsoever, in a meaningful sense, over either the measuring of programs or the spending of money. I think this whole area has got to be one of major concern for the members of this House. I hope the procedural affairs committee takes this on. I, for one, will put in my three cents there at the appropriate time.

I want to say that this bill is not a panacea to curb government spending or to bring all government programs under control. It is part of a number of programs by which, legislatively, we can provide a counterweight—and we need opposition forces—to the great

weight of bureaucracy and the government structure. This is the one way to force one form of discipline on the government.

It is not the only one. Collectively we have to use every management tool and device we can possibly conjure up. I have talked before about a systematic program of deregulation, I have talked about zero-based budgeting, I have talked about sun-setting. None of these is the end of the world, or perhaps individually all that significant, but those three approaches, in conjunction with an economic impact study program, are going to force care and concern, not only on the ministers but on the people who work for them.

I realize that cabinet ministers get a lot of briefing documents. They should. If they didn't that would be crazy. A lot of the information they have is secret and private, it is information that never gets to the House. We have no way to evaluate the decision on the basis of the same information that ministers had in their evaluation of that decision.

Therein lies the problem. If the government says a particular bill is going to create 700 jobs in the province, it may or may not be right. We have no idea what its expectations are. The government should share information with us so we can collectively apply our minds to it and collectively decide if that is a wise allocation of government resources.

This is just one device. It's a freedom of information bill. That's what it is. It is getting more information in a specific way. I am not holding my breath waiting for a general freedom of information bill in this House. We have been yelling about it for years, and so have our friends in the NDP. The honourable member for York South (Mr. MacDonald) has done a lot of work in this area. The federal Tories have talked about it. We have Carlton Williams examining it.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Peterson: We are all concerned about this. I am not optimistic that we can move the government to action, but here, specifically, is one important segment of the financial area. I would urge all of my colleagues in the House to support this excellent piece of legislation.

Mr. Warner: Mr. Speaker, our colleague, the member for London North (Mr. Van Horne), has brought forward a bill which I suspect has grown out of some of his frustration over the process we experience in the assembly. If one just reads the explanatory

note, I would think it would be difficult, even for the minister who spoke, to speak against the concept that is developed in the explanatory note. In fact section 2(1) is a tough one for anyone to speak against. The basic idea, that the elected members of the assembly, and then the public, should have a good knowledge of government spending, is obviously a laudable one. I would assume that is something every member of the assembly would support, the proposal that we should know where the money is being spent and on what because it is tax dollars.

Unfortunately, to date we have never found a useful way to come to grips with how our dollars are squandered in the private field. Every time a motor company manages to turn out 50,000 defective automobiles we all pay for that in the long run. As the company is required to rectify the problem they then increase the cost of the automobiles. So the motor company's inefficiency ends up with the public paying more money. We have never found a way to control that.

However, the one place where the public can exercise some control is over expenditure of its tax dollars by the government. The member for London Centre (Mr. Peterson), who unfortunately I guess had to leave, spoke in favour of the Small Business Development Corporation Act the Treasurer (Mr. F. S. Miller) brought in, as we did in this party. I think part of the reason that bill gained support was that it was an initiative taken by the Treasurer. He freely admitted he was not sure whether this was going to work. He was prepared to put up \$200 million, even though he was not sure it was going to work, but felt it was worth trying.

The problem under this bill my colleague has proposed is that it would curtail that initiative because there wouldn't be any way of estimating in advance how many jobs are going to be created. Neither would there be any way of estimating the exact cost of the program. That amount of money is set aside; we don't know it is going to be spent, maybe none of it will be or maybe it will be more than \$200 million.

I would hope if the government latched on to a good way to support small business, to create a lot of jobs and strengthen our economy, it would be prepared to spend more than the \$200 million. That kind of flexibility has to be allowed the government.

Yes, I want an accounting of public dollars; yes, I want to know exactly how much money is being spent and for what purpose, and it would be nice to know in ad-

vance. Perhaps we could head off a Minaki Lodge if we knew in advance; that kind of wasteful pork-barrelling could be cut off at the pass if we knew in advance. But I am afraid that in enabling the government to do that by way of this bill, we at the same time might cut off some of its scope for initiative. Our fear was that it might just end up as a slush fund; but we don't know and neither does the Treasurer, no one knows at this point. We will find out later on, maybe a year from now or in two years or whatever; but that kind of initiative can't be spoiled.

I think the other thing my colleague perhaps underestimates is the tradition of our system. While he refers to a book by Lambert, I would refer him to a book by Erskine May. All of us, as members of the assembly, have various ways and procedures available to us to extract the information we need; particularly if the government is reluctant to give us that information there are many ways to deal with the problem. Ultimately, if these measures fail and we are not able to get the information we need, if we are not able to evaluate the programs properly because of secrecy, the people of Ontario have the opportunity to make a selection. We do that once in a while, sometimes every couple of years, we do that to permit the people of Ontario to voice their opinion about the government.

[4:30]

If the government chooses to be overly secretive and the people of Ontario object to that, they will voice their objection in the ballot box. All I can say is that when I am a member of a New Democratic Party government I certainly intend to put forward the cost estimates and the cost expenditures for programs. At the same time I would expect to have the kind of flexibility to initiate new programs where I do not know exactly how many jobs are going to be created.

I would assume that every member of this assembly would expect that when the House is not in session and a disaster occurs in his or her area, as has happened with flooding, the government should be able to move swiftly to provide the funds needed to correct the problems without having to come to the assembly. That is what is done now by order in council, and it is part of our system that is extremely important. The member for London North would be the first to complain if a disaster occurred in his area when the House was not sitting and the government could not react to provide the funds needed until the House was sitting; he would be

the first to complain and I would be right beside him.

In conclusion—and this may come as a little surprise to the member for London North—based on what I have said, I am going to support this bill because I want to see it go to committee. I would like to see it dealt with in committee. In my opinion, the member has a good idea, and if I can curb what I perceive to be his attack on the civil service, if at the committee stage I can inject a clause that will allow the government some flexibility and some imagination in planning, then I will be happy to support it. So for the time being I am going to support the principle and hope the bill goes to committee where I can attempt to bring about some of the amendments I believe necessary. Therefore, Mr. Speaker, I hope this government does not guillotine the bill this afternoon, as it normally does with private members' bills; we will wait and see.

Mr. Cureatz: May I begin my opening remarks by saying what a privilege and fine opportunity it is for me to speak to this bill, especially as it is a bill presented by the member for London North, a member I respect very much and whom I think is very sincere in the work he does in the House and in committees. I know in the association I have had with him I have always been impressed with the kind of work he has attempted to do. No doubt, as the previous speaker, the member for Scarborough-Ellesmere, pointed out, the bill has probably been brought forward by a degree of frustration that I think we all feel from time to time when we sit on committees and consider the ministry estimates.

There are just a few concerns I have that I would like to relay to the member for London North in the few minutes I have. My colleague, the Chairman of Management Board (Mr. McCague) has just explained to us the present mechanism through which expenditures are controlled. It becomes obvious that extensive and rigorous methods already exist to ensure accountability of government expenditures. Furthermore, when private sector impact studies are applicable, they usually appear as part of the policy proposal when funding is sought.

I do not wish to belabour the points made by the honourable minister. Suffice to say that I feel sufficient mechanisms exist already in the financial management of the public purse. Each ministry, therefore, is held accountable for its expenditures in its regular applications for funding from Management Board. But accountability does not stop at the ministerial application to Management Board level. As legislators we are all involved annually in the

approval of government spending. This is a reference, of course, to our role in the estimates process. The committee of supply, meeting to consider the estimates, provides an opportunity for all members of the Legislature to examine the proposed expenditures of the ministries of the government and the sundry other government bodies which expend public funds. Members are free to examine programs and expenditures to whatever degree they desire in the supply committee.

Committee members are provided with briefing booklets and other materials before particular estimates begin. The briefing material contains short descriptions of programs and program areas as well as the number of dollars proposed to be expended on the programs. A recent addition has been the inclusion of the dollar expenditures of past years. These aid the members in making comparisons of expenditures over a period of several years.

In estimates, as all members know, the expenditures of a particular ministry or body are broken down into items and votes. A member who has any serious disagreement with a particular expenditure can register this disagreement through a statement during the discussion of the item and/or through a dissenting vote.

Of course, the ultimate accountability by the government to the people obviously occurs on election day and, as was so well and aptly put, quite often from year to year.

In conclusion, without repeating comments made by my minister, let me merely say that I do not feel I can vote in favour of this proposed piece of legislation from my friend from London North. I see no reason to legislate a process of accountability when the process is already in place without legislation and seems to be working sufficiently well.

I might add that the few minutes I have left I would like to turn over to the member who proposed the bill so that he might make a few last comments.

Mr. Van Horne: Mr. Speaker, I appreciate the comments both pro and con made on this private member's bill. I would like to reiterate the comment made in the television debate between our parties' two leaders, because it really does reflect what happens here in our private members' hour. The question put to the then Prime Minister was, "Why do you misappropriate power and block the business in private members' hour?" Again, I would plead that we allow members to vote on this particular bill.

In summing up what I think of the comments made, in one way, shape or form, each person who has spoken has spoken in favour

of this, at least in principle. I do not think there is any question, as was mentioned by the minister, that there are many aspects of this bill that are covered by the present procedures and present legislation, in whichever form we wish to look at it.

On the other hand, speaking as a backbencher, and as a relatively new member, I think he should appreciate that this frustration comes not only from me but from every, practically every, other new member, as was mentioned by the last speaker from the government party. All of us feel this way. I am speaking not just for myself but for many members of this Legislature. We want to see the procedure changed and improved. If we could at least accept this bill in principle, which we would hope to see go to committee, some of the frustrations we have in dealing with the moneys of this province would be resolved and we would do a better job as legislators in managing the moneys of this province.

Mr. Deputy Speaker: That concludes the allotted time for ballot item 15, and it will be dealt with further at 5:50.

GOVERNMENT PURCHASING ACT

Mr. Makarchuk moved second reading of Bill 83, An Act respecting the Purchase of Goods and Services by the Government of Ontario and Government-supported Institutions.

Mr. Deputy Speaker: The member has up to 20 minutes.

Mr. Makarchuk: Mr. Speaker, initially I will try to explain how I hope the bill will function. The purpose of the bill is to provide Canadian-owned and operated businesses some recourse in their dealings with publicly owned and publicly financed institutions.

The government to a point has a buy-Canadian policy, and by and large—I notice the minister is here—the minister does follow it and allows a 10 per cent cost increase in order to show favouritism to Canadian businesses, which I think is a commendable thing, and I certainly support it.

In general, where the program falls down, and where my bill is aimed, is in dealing with other publicly owned institutions and, specifically, publicly financed institutions. These are the hospitals, the schools and the universities. Among themselves they consume a lot of public funding, and yet in many cases they do not have any kind of a buy-Canadian policy; nor do they show any favouritism for Canadian businesses and manufacturers.

What this bill will do is provide businessmen with some financial recourse against an institution so that they can collect, if necessary, a fine from the institution if it refuses to buy Canadian. It seems to me that there will not be any argument from members here that, if you are using Canadian public funds or taxpayers' money, it's only reasonable that perhaps some effort should be made to spend that money on Canadian goods.

What the bill will do is probably break up some of the existing commercial relationships, particularly between the purchasers in these institutions and their long-time suppliers. The relationships have been developed for many reasons, but the most damaging relationships, shall we say, exist where, in the first place, the firm—it's probably an American-based firm—has been around for a long time, there have been favours passed either way, but particularly to the purchaser, and, as a result, a Canadian or somebody else who tries to break into this charmed circle to sell finds that he is cut out. He may have a pleasant hearing but in the long run the contract for the purchase goes to somebody else.

In this situation, with this bill, and the possibility that some court action can be taken, I think the purchaser will have to look very closely at everyone who is trying to sell goods or services to a hospital, a university or another institution.

Only recently I had a case of a very distraught man who was a salesman for a Texas-based company that was selling hospital equipment to hospitals in Ontario. He had a falling out—there was a dispute with the company—and he went ahead and applied for a job with a Canadian firm providing similar equipment. The Texas-based company went to various extents, including court injunctions, to try to prevent this man from working for the Canadian company. The reason for that was the fact that this man had the contacts, he knew where to go, and if he did go to those hospitals where he had been selling he would probably be selling Canadian equipment and the American firm would be cut out.

He related various stories of what went on in terms of the trips that were laid on for various people, shall we say the homes that were established, the various condominiums that were provided, et cetera—favours that were provided to certain people in order that they would continue to trade with a foreign-owned or foreign-based corporation. Certainly the interest of the Canadian public was not taken into account in this situation,

because the equipment was basically the same, and the prices were almost the same, but the fact is that the company wanted to keep this man out for the simple reason that they had the contacts and they knew that if they had the contacts they were going to sell the equipment or make that kind of persuasion.

Because there will be a 10 per cent fine levied, the bill will make the purchasing agents in the hospitals and the universities, and particularly the business administrators of the school boards, look very closely at Canadians who are trying to sell to them.

The other advantage that can flow from this bill that we have to take into account is the fact that there is a 10 per cent advantage to Canadians. It will allow a Canadian firm to charge 10 per cent more than what the costs would be of a foreign-owned firm, much like the government policy at this time. Although this may be costlier in the short run, in terms of the economic advantages that will flow to Canada from buying Canadian, from creating jobs here, from everything related to this economic activity and growth, it will more than offset the slight cost that could be incurred initially.

[4:45]

It will also give Canadian firms certain advantages in terms of a chance to plan ahead where they know there is a market. In many of these cases it does not require major manufacturing facilities to produce the equipment. The equipment is of a highly technical nature and the equipment can probably be produced by four, five or maybe a dozen people, but the point is it is the design, the research and everything else that has to go into developing this equipment.

It will also help the 10 per cent advantage and the knowledge that the advantage will persist. It will also help us in research and development of Canadian corporations so that they would be able to plan ahead, they would also operate on the basis that they are assured of markets and, consequently, we will have more research and development. Of course, there is no argument right now as far as the government is concerned, or anybody in this House. I am sure they agree we need more in Canada and we are lacking sadly in that area.

The bill is simple in the sense that it does not require any bureaucracy for administration. It is really self administered. The businessman has the option that if he makes a bid or puts in an offer to provide a service or equipment and it is turned down, if he checks it out and finds out that he was

within 10 per cent, if he wishes he can then go to a court and collect from the institution a penalty up to 10 per cent of the total cost of the contract.

I don't think there will be any big rush or any great desire on the part of very many businesses to try to sue everybody. I think in general they will like to keep the goodwill they can develop or that can be there, but at the same time it will make the purchasing agents look very closely at Canadian goods. If the purchaser or the purchasing agent refuses to buy Canadian, I am sure the board of governors of every institution, or the trustees of a school board, or the board of governors of a hospital or a university will look very closely at the administration when they find out they are saddled with a 10 per cent bill for which they have received absolutely nothing.

In many cases right now where we have boards of governors, particularly of hospitals and universities, they are really not involved in the day-to-day operation of the hospital. They know very little about the purchasing policies, they know very little about the equipment being bought. The idea of whether they are getting Canadian content, buying Canadian content or Canadian supplies is not really a matter that is of consideration. However, if they see they have to cough up another 10 per cent for something they haven't received, I am sure they will start looking very closely at how the system operates.

We should realize that the public spending is something like \$30 billion between the provincial and municipal governments. Out of this, about \$9 billion goes for equipment, for operating costs and so on. If because of this bill we manage to shift the purchasing patterns by even one per cent, and I think the shift will be a lot more than one per cent, but even by a matter of one per cent that means millions and millions of additional public funds will be spent to the benefit of Canadian industry.

Again as I said, the bill puts teeth into the buy-Canadian program. It is not a perfect bill. It poses some problems. I think most of us here understand that when we are drafting a private member's bill, we do it in a hurry and we don't go into all the details and everything else. I would like to see support for this bill. I hope to see that it eventually goes into committee where we could sort out some of the problems that even I see are inherent in the bill in terms of Canadian content or what is a Canadian owned and managed corporation and how we define these things, or what specific regulations we

would use to ensure we get what we are aiming at. I think this can be carried out in committee.

So I ask the support of other members of the House to ensure that when we talk about a buy-Canadian program we actually give that small independent businessman out there some assurance that we are serious about it, and if he has to buck some of the existing purchasing arrangements he at least has something, he has the support of this Legislature and the government of this province.

Hon. Mr. Henderson: Thank you, Mr. Speaker. In responding to this particular bill as the Minister of Government Services, I would first like to tell the House that I am fortunate today to have Brooke Central Public School students up in the gallery above you, and I am very proud they are here.

Mr. Speaker, it's no difficulty at all for me to take a stand on this bill. First, I would have to tell the honourable member that the proposals of the bill are excellent. The only difficulty is that they are redundant. As the government we now carry out fully all the proposals recommended in this particular bill. To support that, Mr. Speaker, I would like to quote from the Ontario manual of administration distributed to all people in purchasing positions within this government. First it deals with purchasing policy and Canadian preference. The following policy was approved by cabinet and released in a memorandum from the Chairman of Management Board on April 19, 1974, a little over five years ago. It was rewritten in a standard format and approved by Management Board on April 17, 1976.

The purpose is to assist Canadian firms to compete for government business against foreign producers of goods and services. The application of this directive applies to all ministries, and to those agencies, boards and commissions designated by Management Board. In addition, commissions, municipal governments, school boards and other bodies receiving provincial grants should be urged to follow similar purchasing guidelines.

The previous speaker mentioned several of the boards covered by our directory. I would go further. The member for Windsor-Walkerville (Mr. B. Newman) questioned me about this a few weeks ago in my estimates on behalf of the city of Windsor. I pointed out our guidelines, so maybe he would like to send this particular part I am speaking on now to the city of Windsor, because I am going to point out just what he asked me for at that time and what this particular bill says.

Mr. B. Newman: I'd appreciate receiving a copy.

Hon. Mr. Henderson: Okay. Now first the definition of Canadian content. The difference between the laid down cost and the dutiable value of imported goods or imported parts, plus all values added in Canada, including labour, materials, transportation, duty and taxes, and the Canadian supplier profit, fall into Canadian content.

The policy statement by this government is, and I refer back to the April 1974 and August 1976 policy statements: "1. In order to comply with the policy of the government to encourage the production of Canadian goods wherever such goods can be economically produced, ministries shall allow a price preference of up to 10 per cent to be given in respect of the Canadian content of goods and services supplied to the government.

"2. Ministries shall be vigilant against the possibility that the Canadian preference price allowance will encourage inefficiencies in domestic suppliers or will be used to generate an unwarranted profit.

"3. Major purchasing or service contracts presented to the policy and priorities board or to Management Board for approval shall specify the degree of Canadian content as it applies to the contract."

Mr. Speaker, I would like to take this opportunity to read into the record two or three examples of how this particular 10 per cent applies to actual tenders that we as the government have received, and the end result.

This is very technical. Wherever price quotations for goods imported into Canada are received, as well as the Canadian quotation on any product, the 10 per cent price preference calculation is applied to determine the recommended awardee. The formula for this calculation is as follows. First the discounted price is the quoted price, less quoted price times percentage of Canadian content.

As an example, if the quoted price is \$90 and Canadian content 25 per cent, the discounted price is 90 times 0.25 over 10, which makes that bill actually \$87.50 for bidding purposes; it is reduced by that amount.

Our highest present formula works this way. For example: (a) 100 per cent foreign product, quoted price \$500; (b) part Canadian product, 25 per cent is Canadian, quoted price \$512; (c) 100 per cent Canadian product, quoted price \$550.

Now I am going to point out the results of (a), (b) and (c). For comparison purposes (a) would remain as it is, that's 100 per cent foreign product; the original quotation is \$500 and it would remain at \$500.

Example (b), the \$512 bid, had 25 per cent Canadian product; so we would take \$512

minus 128 over 10 which would mean their bid would be \$499; reduced from \$512 to \$499.

The next one, item (c), would be deemed to cost \$550. We take off \$55. That puts the price of it at \$495.

So as I say, we go back to the original quotation. The foreign product would be \$500 and would remain at \$500. The 25 per cent Canadian product at \$512 would be reduced to \$499; and the 100 per cent Canadian product with a bid of \$550 would be reduced to \$495. That is how it works.

Next, Mr. Speaker, I would like to use another example. Am I getting near my time? I didn't look when I started.

We have bids on typewriters from Olympia, IBM, Olivetti, NTI, Facit, SCM and RemCan. I could use any one of these you wish, but I will use Olivetti. The Canadian content of Olivetti is 79 per cent compared to NTI's machine, which is only 25 per cent. The original bid for the Olivetti typewriter in this particular bracket is \$514.50, with 79 per cent Canadian content. The adjusted price then moved from \$514.50 to \$473.85.

[5:00]

I carry you on down then. When we take bids on typewriters, we consider the cost of ribbons over a seven-year period. On the Olivetti machine, we estimate that the cost of the ribbons for the seven years would be \$72.80. The average trade-in value at the end of seven years on Olivetti would be \$129.48, leaving a net cost at the moment for the new Olivetti typewriter of \$417.17.

On the NTI, the Royal machine, the original bid was \$776. The Canadian content was 25 per cent. When we adjust the price on the 25 per cent we then come up with a price of \$756.60. The ribbon cost over the seven years is \$31.85, which I might compare with that of the Olivetti ribbon, \$72.80. The average trade-in value of NTI's machine is \$137 at the end of seven years. When you compare them, the adjusted price of the NTI is \$651.45, while that of the Olivetti is \$417.17, after we apply all those things.

Mr. Speaker, I would have to oppose this bill, because it would result in more work, more civil servants, and it would be very difficult to make work. In addition, what the honourable member is proposing is redundant; it is already in the manual of instructions.

Mr. Eakins: Mr. Speaker, I rise to speak briefly and to commend the honourable member for introducing Bill 83. I think it deserves the support of all members of the Legislature, and I hope that the members will support the bill and that the government

will bring it forth in committee so that it can be discussed.

When I introduced my Small Business Act, I was told the same thing by the government at that time; it was full of bureaucracy and everything else; they didn't want to act on it. I believe the time has come when we should be supporting our small business sector. Not only should we support this bill, but I feel that it is also time the government acted to ensure that a good share of government purchases be placed with the small business sector.

Both our Small Business Act, which I introduced, and our industrial strategy paper would go even further than my colleague's bill, which he has just introduced, in supporting Canadian-owned and controlled firms through government purchasing policies.

My Small Business Act would establish a target of 40 per cent of government purchases, contracts or subcontracts which should be placed with small businesses, which are defined as independently owned and operated and not dominant in their field of operations. At present, the Ontario government does not even know how much of its business goes to these firms, because they group them together with branch plants operating in Canada.

It is rather interesting that the definition we use for small business—independently owned and operated and not dominant in its field—is also the definition that has been accepted by the Prime Minister-elect, Mr. Clark. He has stated that he would develop a small business policy, and that his definition of small business would be the same as the one outlined in the Small Business Act, which I introduced in the Legislature. So it looks as if the federal party perhaps will lead the provincial Conservatives in the field of supporting small business and in recognizing the small business sector.

We should also establish a small business subcontracting program to ensure that businesses are considered fairly as suppliers and subcontractors to recipients of large government contracts. Any firm, I believe, awarded a contract of something around \$500,000 should designate a small business liaison officer for this purpose. I believe, too, that the government should provide that a small business liaison officer may be an existing member of that firm and that most firms would not likely employ an additional person for that purpose, although we would not want to interfere with any firm that might wish to do so.

It is interesting, too, that a report prepared by the Department of Communications

for the Ministry of State for Science and Technology, but which was not for public distribution, found that a 76 per cent premium was justified in the purchase of Canadian-made communications equipment. In other words, if the price of the Canadian product is less than 176 per cent of the price of the import, then buying Canadian is justified.

While there are several qualifying factors, I believe there is a great deal this government can do to support the small business sector and to comply with many of the aspects of Bill 83. I only hope the government will not use the same old line, which is full of bureaucracy, which is that it is going to take civil servants a long time to develop this. I think government members should support it. It deserves the support of all members of this House and I want to thank the honourable member for introducing this bill.

Mr. di Santo: Mr. Speaker, I would like to speak briefly in support of Bill 83, introduced by my colleague the member for Brantford (Mr. Makarchuk). At the outset I would like to state that I really do not understand the position of the Minister of Government Services (Mr. Henderson). On one hand he has been telling the House that the government practices are directed in the way the bill suggests; on the other hand he says he is against the bill. That is a contradiction I cannot understand and it probably is inexplicable.

The scope of this bill is rather limited. It requires not only the government of Ontario but every public institution in the province to give preference to Canadian-made commodities over foreign commodities when such are available on the market. Not only should the government adopt a buy-Canadian policy, but so should municipalities, boards of education, universities, hospitals, every public institution in the province of Ontario.

This is not a new policy, but as my colleague the member for Brantford said before, it is a reasonable and fair preference given to domestic products and materials in government procurement. The intent is to establish procedures to ensure that Canadian products are treated fairly. We have to realize that if we take a number of dollars for procurement and place them with Canadian rather than foreign firms, they yield a much higher value in gross economic activity and in tax receipts for the provincial treasury, which means that this buy-Canadian policy is also important from a fiscal point of view because it increases revenues for the provincial treasury.

This policy was enacted in the United States in 1933. Very recently, on March 5, the US Senate passed a similar bill, a buy-American bill; and there are states like West Virginia and New York state which have similar legislation.

At this point municipalities, boards of education or other public institutions are not compelled to buy Canadian. As a matter of fact, they can buy foreign-made products without any restriction whatsoever. We know there are other countries which have similar legislation. In the hearings held by the American Senate it came out quite clearly that there are countries like Italy where it is almost impossible for foreign firms to get into the market when the government buys commodities for public use. Japan is another example, as the Minister of Industry and Tourism (Mr. Grossman) could tell us, the restrictions are just fantastic. It is almost impossible to break the barrier the Japanese government has put around its borders for end products that foreign countries would like to export to Japan.

We are especially concerned because small Canadian businesses are at a disadvantage, not only because of the present situation, but they would be even more disadvantaged when the GATT negotiations are finished. Right now we import duty-free, 63 per cent of our end products from the United States; when the negotiations are over, we will import over 80 per cent of our end products from there. This means that between Canada and the United States, as far as end products are concerned, there is virtually a free market. Canadian businesses at that point will be at a real disadvantage; they need the protection of the government if we want them to survive.

I think this should be extremely important. That's the reason I don't understand the opposition of the Minister of Government Services. Small business in Canada is the sector that creates more jobs. The Canadian National Federation of Small Business, in one of their reports in April, said that small business alone has created 80 per cent of jobs in 1978. If we do not put small business in a position to compete with foreign firms they will have a very tough fight once our tariffs go down as a result of the GATT negotiations.

With Bill 83 in place I think the government will be induced to ask foreign companies, or branch plants operating in Canada to develop Canadian content in terms of research and development in the same way that foreign countries also treat all Canadian companies. All of us know what is

happening with Northern Telecom, which is one of the most advanced Canadian firms in the communications field. They have a big contract in Turkey, but the requirements imposed on this firm by the Turkish government are very strict; we don't even dream of doing anything like that in Canada.

Of course if we start at the government level, and at the level of other public institutions, to set a good example, I think we will encourage our small businessmen and we will create more jobs in Canada. We will help the economy in general, because as all of us know most of our trade deficit, which last year reached the staggering amount of \$12 billion, is in manufactured goods and end products. All of us know this.

If we want to start solving the Canadian economic crisis we have to encourage small business to manufacture goods in Canada. One of the ways of doing this is to have our markets absorb Canadian goods. Right now we know that isn't happening because the Canadian market is extremely fragmented. We know that it doesn't happen because there isn't a real buy-Canadian policy. We have only rhetoric. The provincial government says it is in favour of a buy-Canadian policy but it doesn't do anything concrete. By not accepting this bill—which is not a very radical bill; it's simple common sense, and as far as I'm concerned it doesn't go as far as it should to protect Canadian manufacturers, especially the small businessman—the minister, and I hope he speaks only for himself, makes a very serious mistake.

[5:15]

As I said before, at this point we have no possibility at all of controlling institutions other than those of the provincial government in buy-Canadian products. As a matter of fact, there is no mechanism at all to control foreign firms dumping products on the Canadian market. There is no mechanism that gives the provincial government the ability to prove foreign firms are dumping products in the Canadian market below cost. We know that it happens. It has been revealed several times in hearings of the American Senate. In Canada we have never had any inquiry of that type, but we know it happens.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. di Santo: Thank you, Mr. Speaker. There are countries which give incentives to export firms in order to prevent other foreign firms from invading their markets. I don't understand why we shouldn't do the same

and why we shouldn't encourage our businesses.

Mr. Eaton: Mr. Speaker, I rise in opposition to this bill as presented by the member for Brantford.

Mr. Wildman: Surprise, surprise.

Mr. Eaton: I share the same views of the minister. I think the minister has already stated his belief very clearly, that the main thrust of Bill 83 is currently being met by the government's administrative policy—

Mr. di Santo: What about the other institutions?

Mr. Eaton: —which does provide for the application of a 10 per cent price preference calculation to quotes obtained for the purchase of Canadian goods. This is not something which is optional, rather it's a directive of Management Board. It is also a feature of this government's administration. I think it is a somewhat more sensitive or more responsive mechanism for gauging the allowances made for purchases of Canadian goods than the one proposed in the member's bill.

The minister again pointed out a particular fact which I think is important. He pointed out that some commodities, while assembled and manufactured in Canada, are wholly constructed of materials purchased abroad. Bill 83 contains no means whatever by which the Canadian content of goods or services can be defined in any way. It is lacking very much there.

Mr. Makarchuk: It provides for regulations that would define it.

Mr. Eaton: The requirement set out in the manual of administration referred to by the minister certainly does make this distinction, and I think it's a very important distinction.

This point leads me to the reason for my opposition to this bill. It is not that the stated purpose of the bill is already seriously followed by the government that I am concerned with. I am not against the legislation of Shop-Canadian programs, if it can be done effectively. I think that's the question: Can it be done effectively with legislation the member proposes? I don't think this is possible and I think this bill demonstrates this point pretty clearly.

If I might, I'd like to briefly comment on the bill on a section-by-section basis and point out some of the difficulties I see arising with the kinds of requirements the member for Brantford is seeking to have imposed upon the purchasing process.

Firstly, the Minister of Government Services has already discussed the difficulty of

defining or interpreting the terms used in the bill.

Mr. di Santo: He didn't talk at all about the bill.

Mr. Eaton: Despite its provision that the Lieutenant Governor in Council may make regulations that define the terms "resident in Canada" and "substantially produced in Canada," specifically the term "Canadian producer" does not cover jobbers, for instance, or distributors, retailers, agents—a number of people who might be involved in that way.

Section 2 also contains a requirement that "a purchasing authority must ascertain what commodities or services are competitively available in Canada." That's a very difficult thing to do. The phrase found in that section, for instance, "make a reasonable effort according to the circumstances" is quite vague and left undefined, although damage claims could result from that. How do you start defining them? You can get into serious court actions over it. You can get into some very complicated situations that could result from various interpretations of the intent. It could result in things that probably weren't intended by the member in the first place.

The section also implies the need for a Canada-wide bid solicitation for requirements of \$100 or more. To start a Canada-wide process of distributing the bid calls will result in purchasing delays and increased expenditures in administration when we get into some of the many situations in these institutions where purchases are from \$100 to \$1,000, and from \$1,000 to \$2,000.

It also implies the use of formal written or advertised invitation to tender procedures for all requirements of \$100 or more. This will also add considerable expense and cause delays in the purchasing process. Some particular product you want which costs \$500, could cost \$10,000 in carrying out the advertising program necessary to see that bid goes across Canada.

I have two concerns with section 2(2), which calls for the actual purchase of Canadian-produced goods or services. First, substantially produced in Canada is not defined. This section does not deal with the commodities and services which might be more or less substantially produced in Canada. For instance, should an item 100 per cent produced in Canada have any preference over an item 75 per cent produced in Canada, and so on? I think the minister clearly laid out how that process is handled under our present directives.

Second, limiting the comparison to competitive price overlooks such factors as avail-

ability, delivery, delivery prices, after sales service and many other evaluation criteria that are normally used in looking at bids. I think there are very important factors overlooked in the bill.

Section 3 makes the provision for identification of alleged damages. What are alleged damages? I think it is a term that is very difficult. It implies public opening or bid disclosure of all potential contracts of \$100 or more. This practice is not common to all purchasing groups and will increase administrative expenses considerably. The requirements of this section would likely incur considerable verification and audit expenses, especially with variable situations such as substantially produced in Canada claims.

Sections 4 and 5 of Bill 83 are problematic only in that they show the same shortcomings found in section 2. However, I might emphasize my doubts as to whether regulations could in fact construct a definition of substantially produced in Canada. That would be sensitive to our complex manufacturing business and our industrial economic sectors.

In concluding, I think it is quite obvious the bill as it stands is very loose and imprecise. One of the foremost examples already pointed out is that a purchasing authority would have a reasonably easy job in justifying decisions concerning the purchase of goods or services simply because the quality of a commodity or the service is in most instances very difficult to quantify.

I do sincerely believe we are stuck with our present system, which in the case of the public institutions receiving more than 50 per cent of our government funding relies primarily on the honour and the encouragements of government to follow its lead. I think it would be incorrect to say the bill could not be drafted in a more precise manner. However, as the minister pointed out, legislation such as this would necessitate such extensive administration procedures that the cost of purchasing would significantly increase and the process would be really unbearably hampered in many cases, especially the numerous small ones over \$100.

Certainly the encouragement of the Shop-Canadian program should be undertaken whenever and wherever possible when it is feasible and realistic. I think this government has taken the lead in doing that in this province and will continue to take that lead.

Unfortunately, I don't think this bill is one of the cases that shows the kind of action needed. Therefore I would urge my colleagues to oppose this bill as it is.

Mr. Hall: I rise to support Bill 83 presented by the member for Brantford, even

though I have some feeling that he possibly borrowed it from our Liberal caucus.

Just briefly, I might again put on the record that I had the privilege on April 21, 1977 of putting forth a resolution in this House, and I will read it to members: "In the opinion of this House, every effort should be made to encourage the consumption of Ontario-grown fresh and processed fruit, vegetables, jams, juices and wines, and that the government of Ontario should require that all fruit and vegetables, jams and juices consumed in provincially-operated facilities, whether purchased directly or by contract caterers, exclusively be Ontario-grown fresh and processed fruit, vegetables, jams and juices at all times that such are available for purchase."

This resolution was never discussed, because if my memory is correct the government decided to force an election eight days later, on April 29, 1977. However, the former Minister of Correctional Services (Mr. Drea), did provide assistance to our processors and promoted our products in his capacity as minister. However, without central purchasing of food stuffs, difficulties were encountered in ensuring an effective policy.

On the matter of an industrial strategy on which our party put out a comprehensive paper a month or more ago, an important first step in a progressive industrial strategy is a strongly supportive procurement policy. A captive domestic market is crucial as a base upon which domestic firms can build and become strong and large enough to expand internationally. One important way to guarantee this domestic market is through procurement policies.

The Liberal Party in Ontario would undertake that all purchasing, wherever possible and reasonable, be from Canadian-controlled firms or from foreign-controlled firms which comply with a certain code of corporate behaviour. These firms would receive preferential treatment as to price vis-à-vis imports and non-complying foreign firms. This preference could extend, in our opinion, to as much as 40 per cent in some cases. Preference is justifiable because of the secondary benefits of unemployment reduction, new construction, expanded research and development, and taxes on profits.

As a matter of fact, Mr. Speaker, some federal studies which were done by the Department of Communications and by the Ministry of State for Science and Technology, while apparently not having wide public distribution, have found that as high as a 76 per cent premium could be justified in the purchase of Canadian-made communications equipment. There are several qualifying fac-

tors that would have to enter into it having to do with the fact that there would be no point in using a premium if the government had a negligible portion of the market. Therefore, size of market and possible government share would have to be analysed in arriving at any appropriate premium level.

The level of any premium would depend on the level of unemployment as well. Naturally, as unemployment was lowered the premium would drop correspondingly. The amount of any premium which would be justified on government procurement would also depend on capital utilization. As utilization rises, the maximum premium would approach zero and any premium would therefore have to be adjusted from time to time.

The policy we have stated would also have a qualification that any firms that participate would have to obtain a certificate from the government stating that at least half of the value of their products is added in Canada. We visualize that a purchasing policy to support an industrial strategy would extend to Ontario Hydro and all agencies and institutions of the provincial government, including hospitals, colleges and universities, as well as municipal governments and school boards. These additional institutions are large purchasers of goods and services and a procurement policy would not be truly effective without their inclusion. Price differential would have to be paid by the provincial treasury and not by the local municipal bodies and boards.

However, I reiterate, the long term goal of establishing stronger Canadian industry and a captive Canadian market would be worth the price differential in our opinion.

[5:30]

Of course there are branch plants of foreign money multinationals that wouldn't fit into this too easily, but when it is necessary for a government to purchase outside the proposed procurement policy we favour, products of the branch plants in Canada would be favoured over imports, so we think it's a progressive step. We think more attention has to be focused by government taking the lead. Private-sector procurement is also important but we, as a party, feel that is best left up to the private sector. However, we feel that to encourage the private sector the government has a very strong role to play. Ontario, through a more enlightened procurement policy, could lead the way in helping to build a stronger industrial base in the province. I therefore hope that all members will support this bill.

Mr. Acting Speaker: The member for Scarborough West for eight minutes.

Mr. R. F. Johnston: It is better than the one minute I got last time.

Mr. Speaker, I rise in support of my colleague from Brantford's—

Mr. Acting Speaker: I might ask if the member for Brantford wants his whole nine minutes. He does? All right.

Mr. R. F. Johnston: Eight minutes is satisfactory. I am very succinct. It is unfortunate, I think, that my colleague from Brantford has to bring in a bill in a very mild form and try to word it in a fashion that will not offend the sensibilities of the members opposite, and yet they come back and attack it. I am pleased to see that members of the Liberal Party have decided to support this bill. I hope that members opposite will see the wisdom of going along with us.

Hon. Mr. Norton: Surely there are more important issues, though, than duplicating things we are already doing.

Mr. R. F. Johnston: I do not think it is duplicative, I might say to the minister. There is a substantial difference involved in this. The member for Middlesex wants to have it both ways. He wants to say that what the government is doing at the moment is fine and this duplicates it, and then he attacks this as being unenforceable. I just do not think he can have it both ways. If he can, I will have it both ways myself and say that it is definitely enforceable, that this does not go far enough and that I hope this goes to committee to get strengthened so as to get even more teeth put into this. It seems to me at the moment there is a very good case to be put for the fact that hospitals and universities are not making use of existing regulations, if you will, and the enforcement side of this is vital.

I am not going to speak to all aspects of this bill, because I think the member for Downsview has done so very well, as has our leadoff speaker—and I am sure, in conclusion, he will speak to a number of the government's reservations about his bill—but there are a few things I would like to raise. One has to do with the price differential of 10 per cent. I think that is an inadequate amount, but I am glad to see it being used. I accept the ruling by the Science Council of Canada which says that in certain commodities, especially in high-technology commodities, you could go up to a 75 per cent price differential in some of these things and still have an economic benefit to the country. I think we should look at that very seriously when this goes to committee.

I recently heard of a case that was brought before a particular minister and had to do

with a company which, although it had put in a price 25 per cent below that of a United States competitor, was ruled out for various and sundry other reasons. Therefore, I would say again there is no ability to enforce the present act and there is a need for the company to file for restitution.

I would also like to see the prospect of an enlargement of the idea of making a reasonable effort as quoted in section 2(3), because there are certain kinds of important high technology, in terms of equipment and service systems, that need advance notice if Canadians are going to be able to compete. I think in particular of computer systems. If a university wants to put in a computer system for registration of its students, as an example, it is more likely just to adopt a present system already used by an American company and to ask for tenders for that particular system rather than to give adequate notice that it wants a system and then to file open tenders and allow Canadian companies to compete on that basis. We are never going to be able to establish a network of high-technology corporations unless we give special preference in this area.

The only other thing I want to talk about is the punitive aspect of this. We are not setting up a bureaucracy, as it is always claimed we do as New Democrats when we try to protect people and business and to promote growth in this country. What the member for Brantford is suggesting—and I think it is very wise—is that a company dealing with a specific purchasing agent, a purchasing officer in a university, or a hospital board, or whatever, would have the ability to file, if he felt or she felt they were not being dealt with properly under this act. At the moment, there is no way for them to appeal any decision that is made by a minister, or one of these public corporations, or institutions.

I think this just makes sense. If you don't put that kind of teeth into a bill or a regulation, Mr. Speaker, then you are essentially saying that you don't believe in the principle. I think for that reason, members opposite, if they are serious about promoting Canadian producers and Canadian corporations and the small business sector, should think very seriously about sending this bill to committee to try to tighten up the aspects they don't like, but let's get it down as policy agreed to by the whole House.

In conclusion—and I will stop now and allow the member for Brantford to have extra time to respond—I would like to say that it is unthinkable to me that the members opposite would not consider this matter

important enough to be taken to committee and discussed by members, to develop a means of actually enforcing this.

The member for Downsview raised very well the question of the number of jobs that could be created by an actual enforcement bringing back into this country the one to two per cent of the billing presently going out of the country, by enforcing this with our institutions. At this time, especially taking the position of the Tory federal party on this whole matter into consideration, it is unthinkable that the government members would not support this bill in principle and allow it to go to committee.

Mr. Acting Speaker: Is there any other member of this House who wishes to speak to this bill for three minutes? If not, the member for Brantford?

Mr. Makarchuk: After listening to the comments from the government, I am wondering whether we are talking about the same bill or not. It seems to me either they can't read over there, or else are not prepared to start reading.

Mr. di Santo: I am not surprised.

Mr. Makarchuk: I want to point out to the members opposite who seem to have the great knack for nitpicking—I have never seen such a collection of nitpickers going through the bill, particularly the member for Middlesex, and saying, "If we haven't this and we haven't that, we couldn't do this because of this, et cetera."—they should look at the bill we passed recently, the Small Business Development Corporations Act. If we had nitpicked on that bill, it would never have got through the House, because that is one of the most vague, loosely-worded bills there is; yet the government has certain faith that eventually we will try and work it out. It is the same with any other bill; we do not and we cannot—and we know that in this Legislature—cover every possible situation that could develop. That is something we do as we go along; it is a normal part of our legislative procedure.

I want to deal with the argument that there is going to be some kind of a bureaucracy created by this bill. The point is that there is absolutely no bureaucracy whatsoever involved. I have a feeling the reason the Tories object to the bill is that they will not be able to stick their bureaucracy into this kind of situation.

All the bill provides for is that we set up a framework where the businessman, if he so wishes, can take action against the purchaser, in this case an institution that is publicly financed. There is no bureaucracy

telling him he should. There is no bureaucracy involved to examine the prices, or anything like that. It is strictly a relationship between the businessman and the institution, and nothing else. How members opposite get the feeling that there is a bureaucracy, how they read that into the bill just boggles my mind. It boggles my mind that their comprehension of the English language is so limited.

The minister, and I am glad that he is here in all his massive bulk—

Hon. Mr. Henderson: Don't be jealous.

Mr. Makarchuk: I am envious. I am envious.

Mr. Riddell: There is a big green tile right up to your door, Lorne. It goes all the way down to Florida.

Mr. Makarchuk: The minister states that the government has a policy. If he had been listening, he would have heard that I said the bill is not specifically aimed at the government; we recognize that the government has a policy. We recognize that it is actually working towards that end and in some cases is having a measure of success. There is a recognition in this.

What the bill is aimed at is all those other institutions that live from public funding. They spend or receive close to about \$15 billion of public funds, over and above what the provincial government spends. We are trying to make them follow government policy. We are not going to coerce them or anything like that. There is no coercion on the part of businessmen to take action against these institutions.

All we are saying in this bill is the framework exists if one feels one has been done wrong, if one feels the institution did not follow a buy-Canadian policy, if one feels one has been discriminated against by the institution because of previous trading arrangements or favours exchanged between the foreign-based corporation and the purchasing officer and so on. And the members know those kinds of situations exist; they exist all over the place. What we are trying to do is break that up. If we are going to have private enterprise then we are going to have private enterprise in the sense that it should exist. We are trying to encourage this thing and this is the purpose of the bill.

You have to recognize, Mr. Speaker, that in many cases Canadian firms labour at a disadvantage. Most of them are relatively new. Most of them do not have the massive sales force the American firms have. Most of them don't have the experience or the con-

tacts a long-established firm has, which in most cases is foreign, generally American. They have to break through this in order to sell to publicly-financed institutions.

Why the government objects to this I really cannot understand. It is not as if the government took action that could be misconstrued by us or anybody else as some kind of repentance. I acknowledged from the start of the speech that indeed the government is following that policy. We acknowledge that and congratulate the government on doing it. What we are trying to do is extend that same policy to other publicly-financed institutions. That is the intent of this bill.

Again, it is not difficult; it does not require any bureaucracy. It is strictly an arrangement between the businessman and the institution. And as I said before, he is not going to be too anxious to embark upon any lawsuits, because he wants to preserve his goodwill. He does not want to be known in business circles as the guy who wants to start suing everybody. But the point is, once purchasing people know that if they do not treat Canadian producers or Canadian owned or managed businesses fairly, then they may get annoyed and take action against them. As a personal thing, the purchasing agent will understand that the pressure will be on him to oblige and to try and spread the cost throughout.

The other factor in this situation is that we are dealing with institutions, universities, hospitals and schools. In most cases the equipment they buy is of a highly complex, highly technical nature. But it is not the kind of equipment that has to be produced in large assembly plants. It is equipment that can be produced by a few people, but it requires a great deal of engineering know how, physics know how, et cetera. This is the kind of equipment I am trying to emphasize, or that should be emphasized in this bill.

We have, in Canada, all sorts of people who have the know how, who have the ability, even people who are working for foreign corporations who may have to move out of those foreign corporations and set up their own operations. If they have the knowledge that they can compete, plus the 10 per cent which gives them some kind of leverage or some cushion in terms of developing this equipment, they are going to move in this direction.

Like anything else, Mr. Speaker, one cannot go into this kind of business on the basis that in the next six months one is going to have this policy and then afterwards one may not; or the institution may afford to buy this

equipment for a period of time but then afterwards they may change their policy. They have to have some assurance from the government that this policy is going to be consistent, and will prevail, not one year or two years from now, but for numerous years ahead—for at least five years it will be on the books. With the kind of legislation in this bill, they know it's a law of the province, that the options are there, the influence upon the purchaser is there by legislation, and they can go ahead and proceed to develop.

[5:45]

We can talk at great length about the lack of money spent on research and development in this country in comparison to other nations. We are dealing here in an area where research, development and people with skills—not branch plant operations—can be put to use, can provide jobs for Canadians. Again, the government decides to vote against this.

In conclusion, I am really concerned when the government decides to oppose this legislation. Admittedly, it is not perfect; it is a private member's bill that is drawn up hurriedly, and it doesn't cover everything. But certainly the legislation could be put to committee; it could be improved and certainly it will provide that incentive.

If the government opposes this bill, as they have indicated they will, then the government does not have any confidence in the ability of the Canadian small businessman or the Canadian people to be able to manage their affairs. All we ask in this legislation is for some assistance to overcome some built-in handicaps they cannot overcome right now. That is all it is. It's a request to provide some assistance to overcome the handicap posed by the built-in, long-established companies over the newly-emerging firms. The Tory government in Ontario refuses to give them that opportunity.

Mr. Deputy Speaker: Are there any other members who wish to spend the remaining time on this bill?

Hon. Mr. Henderson: Mr. Speaker, may I be permitted to respond to the remarks of the honourable member?

Mr. Deputy Speaker: The honourable member has already spoken. The standing order says you can only speak once.

Hon. Mr. Henderson: Okay, no problem.

PROGRAM COST DISCLOSURE ACT

Sufficient members having objected by rising, a vote was not taken on Bill 69.

Mr. Warner: A point of order, Mr. Speaker: I followed the procedure quite carefully and

it appears to me that those members who objected stood and were asked to remain standing until their names were recorded. At that time the Clerk then determined whether or not there were 20 members standing.

I would ask you to make an interpretation, then, of section 64(2)(e) which says the names of those members objecting will be reported. Would you rule whether or not that means even if only one member stands to object to the motion being placed? Perhaps you could report back whenever you have an opportunity.

Mr. Deputy Speaker: I will be glad to do that.

The following members objected by rising:

Auld; Ashe; Baetz; Brunelle; Cureatz; Drea; Eaton; Gregory; Handleman; Havrot; Hen-

derson; Hodgson; J. Johnson; Lane; Maeck; McCaffrey; McCague; F. S. Miller; Norton; Ramsay; Rollins; Rotenberg; Rowe; Scrivener; Snow; G. Taylor; Villeneuve; Watson; Welch; Williams; Wiseman—31.

GOVERNMENT PURCHASING ACT

The following members having objected by rising, a vote was not taken on Bill 83:

Auld; Ashe; Baetz; Brunelle; Cureatz; Drea; Eaton; Elgie; Gregory; Handleman; Havrot; Henderson; Hodgson; J. Johnson; Jones; Lane; Maeck; McCaffrey; McCague; F. S. Miller; Norton; Ramsay; Rollins; Rotenberg; Rowe; Scrivener; G. E. Smith; Snow; G. Taylor; Villeneuve; Walker; Watson; Welch; Williams; Wiseman—35.

The House recessed at 6 p.m.

APPENDIX

(See page 2137)

ANSWERS TO QUESTIONS
ON NOTICE PAPER
BLIND RIVER DAMS

174. Mr. Wildman: Will the minister inform the Legislature of: (1) how many dams are under the jurisdiction of the Ministry of Natural Resources in the Blind River MNR district, giving their locations and ages; (2) the total amounts of funds by MNR on maintenance and/or reconstruction of each of these dams in the past 10 years; (3) how many feet of water MNR estimates were being held behind Mount Lake, Rawhide Lake and Kindiogami Lake dams during the week of April 22 to April 28, 1979; (4) what work was done by MNR to lower those dams and the water levels behind them during the month of April 1979? [Tabled May 8, 1979.]

Hon. Mr. Auld: 1. There are 16 dams under the jurisdiction of the Ministry of Natural Resources in the Blind River MNR district. Their locations by watershed and ages are as follows:

MISSISSAGI RIVER WATERSHED

Peshu Lake Dam: Located in Root township at the outlet of Peshu Lake on Peshu Creek; age 35 years.

Wakomata Lake Dam: Located in Casson township at the outlet of Wakomata Lake on Snowshoe Creek; age 15 years.

Cummings Lake Dam: Located in Gould township at the outlet of Cummings Lake on an unnamed tributary to the Mississagi River; age 48 years (rebuilt in 1970).

Rawhide Lake Dam: Located in Viel township at the outlet of Rawhide Lake Dam on the Sister River which is a tributary to the Little White River; age 40 years approximately.

Mount Lake Dam: Located in Sagard township at the outlet of Mount Lake on the Sister River which is a tributary to the Little White River; age 27 years.

Kindiogami Lake Dam: Located in Wiseman township at the outlet of Kindiogami Lake on the Kindiogami River which is a tributary to the Little White River; age 24 years.

Endikai Lake Dam: Located in Albanee township at the outlet of Endikai Lake on the West Little White River which is a tributary to the Little White River; age 23 years.

Basswood (Wakwekobi) Lake Dam: Located in Day township at the outlet of Basswood

Lake on the Bolton River, a tributary to the Mississagi River; age 18 years.

BLIND RIVER WATERSHED

Matinenda Lake Dam: Located in Scarfe township at the outlet of Matinenda Lake on the Blind River; age 28 years.

Chiblow Lake Dam: Located in Scarfe township at the outlet of Chiblow Lake on the Blind River; age 25 years.

Deagle Dam: Located in Cobden township at outlet of Scarfe Lake at Whitefish Falls on the Blind River; age 25 years.

Blind River Dam: Located in Cobden township in the town of Blind River on the Blind River; age 5 years.

THESSALON RIVER WATERSHED

Shaw Dam: Located in Kirkwood township on the Bridgland River which is a tributary to the Thessalon River; age 49 years.

McCreights Dam: Located in Kirkwood township on the Bridgland River; age 35 years.

Little Rapids Dam: Located in Thessalon township on the Bridgland River which is a tributary to the Thessalon River; age 18 years.

LAUZON RIVER WATERSHED

Lauzon Lake Dam: Located in Long township at the outlet of Lauzon Lake on the Lauzon River; age 27 years.

2. The total amounts of funds spent by MNR on maintenance and/or reconstruction of each of these dams in the past 10 years are as follows:

Peshu Lake Dam, nil; Wakomata Lake Dam, nil; Cummings Lake Dam, nil; Rawhide Lake Dam, nil; Mount Lake Dam, nil; Kindiogami Lake Dam, \$1,500; Endikai Lake Dam, nil; Basswood Lake Dam, nil; Matinenda Lake Dam, \$6,500; Chiblow Lake Dam, \$1,100; Deagle Dam, nil; Blind River Dam, \$116,400; Shaw Dam, nil; McCreights Dam, \$2,200; Little Rapids Dam, nil; Lauzon Lake Dam, \$7,200.

3. Water depths held behind the Mount Lake, Rawhide Lake and Kindiogami Lake dams during the week of April 22 to 28, 1979, were estimated to be as follows:

Mount Lake Dam: The dam was checked on April 25, 1979, and April 27, 1979. On April 27, 1979, the water depth behind the dam was observed to be 11.7 feet. Water was flowing over the spillwall in the dam but

no problem was observed with the dam at this time. The peak water depth reached was not directly observed but it is estimated to have been in excess of 12 feet. Normal summer water depth is about 10 feet.

Rawhide Lake Dam: Water depth behind this dam when observed on April 27 was at an estimated depth of four feet or near the top of the dam. Maximum depth that was reached during the week may have been over four feet. Normal summer water depth is about 2.5 feet.

Kindiogami Lake Dam: When checked on April 27, the water depth behind the dam was about 1.5 feet above normal but was not over the top of the dam. Normal summer water depth is about six feet at this dam. Maximum depth reached during the week is estimated at over eight feet.

4. The following work was done by MNR in lowering water levels behind these dams in the month of April:

Mount Lake Dam: Water levels on Mount Lake were drawn-down approximately two feet last fall as is the normal practice for operation of this dam. When checked on April 25, another stop-log was removed to increase the discharge through the dam.

Rawhide Lake Dam: This dam is not operated and acts as an overflow type of structure with approximately two stop-logs left in the bottom of the sluice gate in the dam to maintain summer water levels. This is normal practice for this dam and no problems have occurred as a result in the past. Access to the dam is by air or water only. The dam was not breached during the recent flood.

Kindiogami Lake Dam: This dam is not operated and also acts as an overflow dam. Two stop-logs are left in the bottom of the sluice gates to maintain summer water levels. No problems have occurred in the past as a result of this procedure. Access to the dam is by air or water only. The dam was not breached during the recent flood.

FLOODING

175. Mr. Wildman: Will the minister inform the Legislature when in April 1979 the Ministry of Natural Resources Sault Ste. Marie district officials first became aware of the

danger of flooding for Searchmont and of how many hours warning the ministry gave the residents of that community that water levels in the Goulais River were rising to alarming levels and that a flood might occur? [Tabled May 8, 1979.]

Hon. Mr. Auld: Ministry of Natural Resources Sault Ste. Marie district officials first became aware of the danger of flooding for Searchmont when a district official was informed by telephone around 8 a.m. on Thursday, April 26, that water levels in the Goulais River had risen, that flooding of some residences had occurred, and that water levels were still rising.

As the Sault Ste. Marie district office was unaware that Goulais River levels were rising overnight, no warning was given to residents of Searchmont that a flood might occur.

MOUNT ALBION SCHOOL

176. Mr. Isaacs: What is the precise status of the request by the Wentworth County Board of Education for capital funds for the replacement of Mount Albion School in Stoney Creek, and what is the ministry's estimate of the pupil capacity of the present main building and nine portables? [Tabled May 8, 1979.]

Hon. Miss Stephenson: 1. The Wentworth County Board of Education has received an allocation for the Albion Heights School in Stoney Creek for the year 1980 in the amount of \$1 million.

2. The present building has a capacity of 460 pupil places.

3. The nine portables on the site have a capacity of 315 pupil places.

FOREST REGENERATION

177. Mr. Foulds: Will the ministry table figures on the percent stocking levels by regeneration method and working group within Algonquin Park? [Tabled May 10, 1979.]

Hon. Mr. Auld: I have prepared a table showing the percentage stocking by regeneration method and major working group within Algonquin Park for the five-year period 1974-75 to 1978-79:

**PERCENTAGE STOCKING BY REGENERATION METHOD
AND WORKING GROUP — ALGONQUIN PARK**

**Five Year Period — 1974-75 to 1978-79
Algonquin Park**

<u>Working Group</u>	<u>Regeneration Method</u>	<u>Percentage Stocking</u>
Tolerant hardwoods	Shelterwood	79.46
White pine	Planting — nursery stock	66
Red pine	Planting — nursery stock	63.5

178. Mr. Foulds: Will the ministry table in the House figures on the number of acres of cutover and acres regenerated within Algonquin Park for the last five years? Will the ministry detail the cutover and regeneration figures by the subcategories contained in MNR annual reports? Will the ministry also detail the above figures by working group? [Tabled May 10, 1979.]

Hon. Mr. Auld: I have prepared tables for Algonquin Park for the five-year period 1974-75 to 1978-79 showing acreage of regeneration by treatment categories; acreage of cutover by cutting method and treatment availability; acreage of regeneration by treatment category and working group; and acreage of cutover by cutting method, availability of treatment and working group:

**ACREAGE OF REGENERATION BY
TREATMENT CATEGORIES**

**Five Year Period — 1974-75 to 1978-79
Algonquin Park**

<u>Treatment</u>	<u>Acres</u>	<u>Treatment</u>	<u>Acres</u>
Planting—nursery stock	6,367	Seed tree cut	9,097
Planting—container stock	nil	Shelterwood cut	47,933
Seeding	63	Clear cut	1,802
Scarification	370		
Strip cut	547		
		Total	66,179

**ACREAGE OF CUTOVER BY CUTTING METHOD
AND TREATMENT AVAILABILITY**

**Five Year Period — 1974-75 to 1978-79
Algonquin Park**

<u>Cutting Method</u>	<u>Available for Regeneration Treatment</u>	<u>Natural Regeneration without Treatment</u>	<u>Not Available for Treatment</u>	<u>Total</u>
Clear cut and shelterwood	59,379	—	—	59,379
Selection cut	—	63,220	—	63,220
Partial cut	—	—	11,724	11,724
Total	59,379	63,220	11,724	134,323

ACREAGE OF CUTOVER BY CUTTING METHOD,
TREATMENT AVAILABILITY AND WORKING GROUP

Five Year Period — 1974-75 to 1978-79
Algonquin Park

Cutting Method	Tolerant Hardwoods							Total
	White Pine	Red Pine	Jack Pine	Poplar/Birch	Balsam	Spruce	Hemlock	
Clearcut and Shelterwood	20,328	9,097	1,802	—	—	—	—	59,379
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Selection	61,038	—	—	—	431	570	1,181	63,220
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Partial	—	—	—	—	—	—	—	—
	—	—	—	11,724	—	—	—	11,724
	—	—	—	—	—	—	—	—
Total	81,366	9,097	1,802	11,724	431	570	1,181	134,323

- (a) available for regeneration treatment
- (b) natural regeneration — no treatment
- (c) not available for treatment

**ACREAGE OF REGENERATION BY TREATMENT CATEGORY
AND WORKING GROUP**

<u>Treatment</u>	<u>Tolerant Hardwoods</u>	<u>White Pine</u>	<u>Red Pine</u>	<u>Jack Pine</u>	<u>Spruce</u>	<u>Total</u>
Planting—nursery stock	—	1,974	4,330	—	63	6,367
Planting—container stock	—	—	—	—	—	—
Seeding	—	32	31	—	—	63
Scarification	—	—	370	—	—	370
Strip cut	—	547	—	—	—	547
Seed tree cut	—	—	9,097	—	—	9,097
Shelterwood cut	20,328	27,605	—	—	—	47,933
Clear cut	—	—	—	1,802	—	1,802
Total	<u>20,328</u>	<u>30,158</u>	<u>13,828</u>	<u>1,802</u>	<u>63</u>	<u>66,179</u>

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No. 53

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Thursday, May 24, 1979

Evening Sitting

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

THURSDAY, MAY 24, 1979

The House resumed at 8 p.m.

House in committee of the whole.

BUSINESS CORPORATION AMENDMENT ACT

(concluded)

Resumption of consideration of Bill 34, An Act to amend the Business Corporation Act.

On section 21:

Mr. Deputy Chairman: Mr. M. N. Davison moves that section 21 of the bill be amended by deleting the words "or any signature of an officer of the ministry designated by the regulations."

Mr. M. N. Davison: I understand very well the position the minister is in in terms of signing documents, and specifically documents which may be used later as evidence. I understand the time constraints of the job and I know it is just not practical for the minister to sign every single one of these documents; I am fully aware of that. I have no objection to one of two methods being used as an alternative; either an official of the ministry being designated to sign the document instead of the minister, or the use of some sort of mechanical reproduction or a signature machine by the minister's support staff, if I can divide his staff in that fashion.

What I am a little concerned about is the fact that people other than the minister who had been designated to sign things would have their own signature machines or have their signature run off. There is an element of ministerial responsibility, so it is important that we make a distinction between the minister and the officials on his staff.

Understanding fully the time constraints on the minister, understanding the way these things operate, I have no objection whatsoever to the minister designating responsibility for signing documents to his staff, to the officials in his ministry. I have no objection to some mechanical reproduction of his signature or a signature machine, but I think we can draw the line there. We don't need to go down the road of other people having signature machines or having their names run off on a mimeograph. That, simply is the reason and the rationale for the amendment.

Mr. Breithaupt: This is an interesting point. I recognize the comment made by the sponsor of the amendment with respect to the minister having the opportunity of having his signature reproduced by machine or by printing. I suppose it really depends on who, in fact, would be the civil servant able to have this responsibility. If, for example, this is a senior person within the ministry, a person who is known and responsible at a director level or whatever, then I would have no particular objection to having it done as proposed by the minister, and as a result I would not support the amendment. If, on the other hand, this were going to require much additional time, or this were a task that was going to be performed by a quite junior person, then there would be some merit in the amendment. It really depends on hearing from the minister as to who the person is and what level of responsibility the person would have who is going to be doing this. It really hinges on that.

Hon. Mr. Drea: Mr. Chairman, to answer the questions: First of all, the one that should have been asked is, who is doing it now? As a matter of fact, the person who is doing it now on certificates of incorporation and related certificates is the controller of records—not even the minister; the controller of records. The member is going to ask, what is the authority? The authority is section 33 of the Ontario Regulations, 452/76. Her signature comes under the written authorization of the controller. Her signature is written on each certificate by an auto pen operated by a clerk.

The procedure is based upon common law. All we are doing in this section is putting it under statute that we have to designate the person whose signature is used; it's not that of the minister. Then the signature is reproduced exactly as the honourable member said, by auto pen. It is the signature of the controller of records, regardless of who pushes the auto pen. What it is doing is putting under statute what has always been done under the existing act and under the authorization of common law.

Mr. Breithaupt: I must say I would far prefer to have it under statute than under

regulations, but that is a satisfactory answer to me at least.

Mr. M. N. Davison: I'm sorry; what was the title of the individual?

Hon. Mr. Drea: The controller of records.

Mr. M. N. Davison: The amendment to the Business Corporations Act as proposed by the minister in section 21 of this bill will not designate by regulation exclusively the incumbent of that position. It is a much broader power that is being given to the Lieutenant Governor in Council when the phrase used is "or any signature of an officer of the ministry as designated by the regulations." It opens the door fairly broadly. I understand the minister's concern and his position, but it does not answer the question in my mind that led me to place the amendment.

Hon. Mr. Drea: Perhaps I can try again. Section 33 of the regulations now authorizes the executive director, the senior legal officer, the director of the company services branch, the controller of records, or the assistant controller of records to sign any certificate required or authorized by the act.

Just to give the member an idea of the volume and why we have gone to the present system, more than 1,000 certificates weekly are required to be signed in the companies division. Of these, more than 500 are certificates of incorporation. With such volumes it is impractical and unrealistic, as has been mentioned by the honourable members, to require my officials to sign these certificates manually. Their time is better otherwise spent. Furthermore, it would be contrary to the intent of this act, which is to speed up incorporation.

The difficulty with using only the minister's signature is that time is required to make a signature plate when a minister is replaced or changed for any reason. As members will notice on the elevators, only a certain number of elevator certificates as yet bear my signature. It took up to three months for birth certificates to bear my signature. I am thrifty; why not use the old blanks? There are a great many things out there where reproductions are valid that we were able to carry on.

If we are only going to use a mechanical reproduction of my signature, once again there can be interruptions and so forth. Quite frankly, one of the things that concerns me is that a whole host of people are able to use the mechanical reproduction of the minister's signature. Security does become a problem. It is not there in the others, and quite frankly I think it is fair, practical

and equitable; I don't think there is a danger. They have to be designated in the regulation. There is no intent to designate more than are there now. What it is really doing is putting it into statute rather than relying upon common law. I trust that will answer the concerns of the member.

Mr. Breithaupt: I was just going to comment on what the minister had said. I always feel rather sorry for the poor chap who has to go around in the elevators and put those stickers over one minister's name as another minister comes forward. Hopefully we can avoid that in this circumstance. The person designated would probably be designated for this one purpose only, so the security is a certain factor.

As the minister has stated, it is done in one form by a regulation now. It will, as a result of this amendment, continue to be done by a regulation. All we are doing is giving a somewhat higher profile to the matter by putting that portion of it in the act, and that seems quite reasonable to me.

Mr. M. N. Davison: Just finally, Mr. Chairman, I would suggest to the minister if his position is as I understand it, it probably would have been more appropriate to simply list the titles of the officials in the legislation if we were concerned about it being up front by way of statute rather than by way of regulation. Maybe that is something he will consider when he next rewrites the Business Corporations Act.

Mr. Deputy Chairman: Any further discussion or comment on section 21, or the proposed amendment thereto?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

The amendment is lost.

Section 21 agreed to.

Mr. Deputy Chairman: Where is the next question?

The minister has an amendment here. Mr. Minister, do you wish to make that amendment to section 22?

On section 22:

Mr. Deputy Chairman: Hon. Mr. Drea moves that section 266a of the act, as set out in section 22 of the bill, be amended by adding thereto the following subsection:

Date of articles:

"(2) Articles filed by the minister under the act shall have effect from the date of the certificate endorsed thereon, notwithstanding that any action required to be taken by the minister under this act with respect to the

endorsement of certificate and filing by him is taken at a later date."

Would the minister make an explanation of that amendment?

Hon. Mr. Drea: Yes, Mr. Chairman. If you will recall, when this committee last met on this bill I gave an overview of this particular amendment. It revolves around a recent law case, *C.P.W. Valves Instrument Limited versus Scott*, 5 Alberta Law Reports (2nd) 1978, 271.

Interpreting the Alberta companies act has caused some concern about the certainty of the date of incorporation of a company under Ontario law. It is necessary in the commercial world that businessmen be able to rely upon the date of incorporation without fear of a court looking behind.

This amendment is intended to ensure that no one will attempt to have the courts find that the date in a certificate of incorporation is not in law the date of incorporation.

[8:15]

Mr. M. N. Davison: I am not particularly opposed to the minister's amendment, but I must admit to some confusion. Perhaps somebody can help me with this.

Section 266(1) and (2) of the act, which is what is being amended by section 21 in the minister's amendment to his amendment, refer to certificates and certificates exclusively. Section 1 of the Business Corporations Act, which is the definition section, contains in section 1(1)(vi) a definition of certificate of incorporation, and in section 1(1)(ii) a definition of articles. I will not bother reading them into the record, but articles and certificates are two different things. Section 266 deals exclusively with certificates. What I am not sure I understand is whether or not the minister's current amendment is in order, amending as it does a section dealing with certificates to make this change which deals with articles. If it is in order, I am perfectly happy with it, but I am somewhat confused.

Hon. Mr. Drea: There is no problem. The articles are filed by me, the certificate is issued. It really deals with the date on the certificate, so there is no confusion.

The amendment is that the articles filed by me shall have effect from the date of the certificate endorsement. It really deals with the certificate, not the date I file the articles. This is to avoid the confusion caused by the courts being asked to select which date. It is dealing with the certificate, it is not dealing with the articles. It merely puts down once and for all that the date on the certificate is the effective date, regardless of when

I file the articles later. If I file them on the same day, fine; if I file them at a later date, no matter.

This does occur, and this was the thrust of the Alberta case. The certificate was issued under one date, the articles filed under their act on another. The courts ruled that it was the date the articles were filed and this caused the confusion. This way it is the date on the certificate; it has nothing to do with the content of the articles or anything else.

Mr. M. N. Davison: If it is good enough for the minister it is good enough for me.

Section 22, as amended, agreed to.

Sections 23 and 24 agreed to.

On section 25:

Mr. Deputy Chairman: Hon. Mr. Drea moves that section 271(j) of the act, as set out in section 25 of the bill, be amended by adding at the end thereof: "Permitting punctuation marks and other marks referred to in section 8(3)."

Hon. Mr. Drea further moves that the said section 271 be amended by adding thereto the following clause: "(l) Prescribing the matters that the minister shall take into consideration in determining whether a name is contrary to section 7."

Hon. Mr. Drea: Mr. Chairman, this amendment is to permit the extensive regulations required to guide incorporators when deciding upon the acceptability of a proposed corporate name. The matters the minister must take into consideration when determining whether a name is contrary to the act are found in case law. With this regulation it will not be necessary for incorporators to have recourse to case law to ascertain what are the basic considerations for acceptable corporate names. As a result, it should be less time-consuming for incorporators to chose a name under the act.

This is the commitment, quite frankly, that we made to the legal profession when bringing this in. Under the present act it is the minister who is responsible for the final acceptability of the name; under the amendments the onus will be entirely upon the incorporator, and for practical purposes upon his solicitor. As the House now knows, there is the subjective test, as it is known in the profession, by which solicitors determine whether the name is contrary to the act. By contrary, I mean implying falsely a connection with the crown, with the government, using the word co-operative and a number of other restrictions. Case law has determined the grey areas there, it is very well set down.

Now the onus is entirely upon them, we think it only fair that it be spelled out completely in regulations so the solicitor, or indeed if there is an incorporator who chooses to do his own without benefit of a solicitor, both will know very clearly the certain names that are contrary to this particular section.

The first part of the amendment is merely to bring clause (j) into conformity with section 6(3) permitting punctuation marks and other marks as referred to. We just want to make this section consistent with the earlier one.

Motion agreed to.

Section 25, as amended, agreed to.

Section 26 agreed to.

Bill 34, as amended, reported.

On motion by Hon. Mr. Drea, the committee of the whole House reported one bill with amendment.

THIRD READING

The following bill was given third reading on motion:

Bill 34, An Act to amend the Business Corporations Act.

CONVEYANCING AND LAW OF PROPERTY AMENDMENT ACT, 1979

Hon. Mr. Drea moved second reading of Bill 87, An Act to amend the Conveyancing and Law of Property Act.

Hon. Mr. Drea: Mr. Speaker, this is a housekeeping bill. The Conveyancing and Law of Property Act was amended in 1975 to clarify the law in relation to rights of owners and mortgagees in situations where the lessee had the freehold title, that is ownership, transferred to him by the lessor.

The amendments at that time merely preserved the existing rights and responsibility of the parties exactly as they were before the lessee purchased the freehold. The problems arose because of the legal doctrine of merger. Normally, where a person holding a lease buys the property, the leasehold interest is said to merge in the freehold interest and the lease disappears.

This has serious implications where there is a mortgage on the leasehold interest, because the security of the mortgagee would disappear if the lease disappeared under the doctrine of merger. No merger of interest takes place under law if the parties do not intend merger. The law presumes there was no intention of merger where non-merger would be consistent with the duty of the owner.

In this case, the owner has the duty to pay off the mortgage and not to try to destroy the security of the mortgagee. There are court decisions which hold that merger does not take place in this situation. That does not settle the question of the rights of the owner and the mortgagee. It is not clear whether the mortgage remains a mortgage enforceable by the usual remedies of foreclosure and power of sale, or whether the mortgage becomes a charge or a lien of a different nature.

As between a first and a second leasehold mortgage, it is also not clear whether they retain their priorities, or whether they both rank equally under the purchase of the freehold.

For those reasons, section 37 was amended in 1975 to cover lessees from Ontario Housing Corporation who subsequently bought the property.

Recently, the Ministry of Housing has decided to transfer the home ownership part of Ontario Housing Corporation's operation to those of the Ontario Land Corporation. Furthermore, the Ministry of Natural Resources has started to sell crown lands where formerly it had been adhering to a policy of giving only a lease. Under the former policy, several thousand leases were granted. Many of these were for cottage lots on which the lessee borrowed to build a cottage by putting a mortgage on the lease. Now that it is possible to buy the property rather than merely leasing it, many lessees of crown land are seeking to buy. It is important, therefore, that section 37 be amended again so that the existing rights and responsibilities of all parties be preserved in situations where the lessor and grantor is the Ontario Land Corporation, or the crown, under the Mining Act or the Public Lands Act.

The section now provides that where a person who leases land from the Ontario Land Corporation buys the land, the mortgages already registered against the land remain unaffected; that is the doctrine of merger does not take effect.

Basically, the section is being amended so mortgages on land purchased by a lessee from the Ontario Land Corporation, or from the Ministry of Natural Resources, also remain unaffected. The amendments have been requested by both the Ministry of Housing and by the Ministry of Natural Resources.

Mr. Breithaupt: Mr. Speaker, this is a most interesting and pleasant legal point the minister has reviewed. I would think that he has certainly become learned in the law as far

as the details of this particular item are concerned, so that the encumbrances that are registered against a property do, in fact, continue after the technical transfer of title where the property was originally leased.

The point seems to be a reasonable one and I think that the bill will obviously proceed through the House, but apparently not until the member for Lakeshore has reviewed, in even greater detail, the finer points of conveyancing.

Mr. Lawlor: I don't know about that. But having attended at the Gauguin exhibit, conducted by a certain McMurtry I believe, at the American Embassy, very closely resembling the best works of Toulouse-Lautrec in his decadent period, I thought maybe a word or two should be said about the Conveyancing and Law of Property Amendment Act.

No one is concerned, Mr. Speaker, about mortgages of leases or second mortgages of leases if there exists such a strange entity. What I was concerned about when I read the legislation was the transference, "subject to any interest" as the wording goes, of a leasehold interest into a freehold interest—absolute title—and what that just might mean, in legal terms. I phoned the department about it, and as is normal gleaned a certain amount of, I suppose you'd call it wisdom, with respect to the thing. I was told about mortgages I know all about that, but that's not the problem.

With respect to cottage properties and things like that there are numerous easements of various kinds, some which follow leasehold interests as such, but it would seem to me in law—and I'm going to be very ticklish about this—in terms of freehold interest they may not be recognized.

[8:30]

One instance immediately occurred to me. It was well water. In many instances, the well was located on the particular property. In order to gain water for the cottage property in question, it is necessary to trespass, except if you have an easement—"come on and take it," for instance. Is that particular kind of right taken into cognizance in lifting from one form of holding of land which is quite different from fee simple holding of land? Does that follow over of necessity by way of an easement? Is that the kind of easement that is involved?

Then I went further. Suppose that particular kind of thing is encompassed within the legislation; is there a range of kinds of encumbrances—not mortgages or trespass on land in order to obtain water, and not strictly property rights having to do with an immediate

attachment to land which is peculiar to leasehold interests, as one can well imagine they might be, but rather a range of rights with respect to lateral easements, the location of television aerials, the right to light—rights of various kinds which, traditionally and within English common law, do not come across in terms of the fee simple?

If there are, the minister is saying they do follow. I think he is saying that. Or does he mean that? Really, what does he mean? Has he defined it? Has he really thought about this transfer of property? He may answer me that on previous occasions a similar act of the Legislature went through with respect to the transfer of leasehold interests to freehold and nobody questioned it. That is neither here nor there.

Hon. Mr. Drea: It has worked for four years.

Mr. Lawlor: Perhaps we have a little more time now. Perhaps the minister has directed our attention to the particular issue in question. In any event, I thought I would tickle his left rib before I sat down.

Hon. Mr. Drea: Why my left?

Mr. M. N. Davison: Mr. Speaker, it may not have been particularly clear to the minister, but he can indeed interpret the remarks of my colleague from Lakeshore as being nothing short of total support for this bill on second reading. He was, of course, a member of the happy assembly that did bring in the current section 37.

As I read it, the change has simply lifted the words "with the Ontario Housing Corporation" and set in the new set of words which will, in addition, expand it to the Ontario Land Corporation and to the crown under the Mining Act and the Public Lands Act. That is simply a recognition of the second-home situation, by and large.

In that particular sense, the comments made by the member for Lakeshore should be looked at carefully by the minister and his staff, particularly the situation which applies with respect to an Ontario Housing Corporation development. It may well be quite different from the kinds of odd situations one runs into when dealing with cottages, second homes and legalities that are less clear than one might find in some of the urban housing developments.

That said, however, we will be supporting the bill on second reading.

Mr. Breithaupt: Mr. Speaker, could I ask one question of the minister? This may avoid us having to go to committee and follows the point raised by the member for Lakeshore.

Am I not correct in saying that any easements such as were referred to, for wells or whatever, that might have developed by prescription over a period of time would be continuing in any event and would not be affected in any way by this particular item?

Hon. Mr. Drea: Yes. The only reason there is an amendment here is the Ontario Housing Corporation, which is three words, had transferred its leasehold to the Ontario Land Corporation. Therefore, in order to protect the mortgagees, we are changing the words in section 37 of this act.

Secondly, there is the recognition that what was once the Department of Lands and Forests, latterly the Ministry of Natural Resources, under one of two acts is selling cottage lots rather than leasing them as had been done traditionally; all we are doing is putting that in there.

Mr. Lawlor: What about water rights?

Hon. Mr. Drea: All of the encumbrances and so forth are already included. There is provision for them within the existing act. That act has been there for four years.

Bear in mind there was no specific mention in the past of crown lands because four years ago there was not much in the way of sales. But there have been sales over the last little while. There has been no problem. There hasn't been a dispute which couldn't be settled in terms of the normal encumbrances or clearances or easements at the time of purchase. This is a very technical piece of house-keeping. It just recognizes the transfer of a procedure from one part of one ministry to another and the policy of another ministry now selling lots rather than leasing. I would think the ordinary procedures under conveyancing would be quite adequate. What we are specifically after here is the protection of the mortgagee where there has been a leasehold.

Mr. Lawlor: That is a shocking complacency on your part.

Hon. Mr. Drea: I want to say that I was at the great art exhibit too. I was there much earlier than the honourable member because I did my duty and came back here to vote in private members' hour.

Mr. Lawlor: Even before.

Hon. Mr. Drea: Yes; and you started off with this. I can assure you I had a most pleasant evening earlier; I was back in the jail system and nobody eats better than those in the sentenced institutions of this province.

Mr. Lawlor: You are far more at home in the jail system than anywhere else.

Hon. Mr. Drea: I can assure members there is nothing untoward in this amendment.

Motion agreed to.

Third reading also agreed to on motion.

AUDIT AMENDMENT ACT (concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 32, An Act to amend the Audit Act.

Mr. Renwick: If I may, Mr. Speaker, I wonder if the minister has given consideration to Bill 66 on the Notice Paper, standing in the name of my colleague the member for Sudbury East (Mr. Martel). Perhaps he would take a moment to look up Bill 66? That is the bill which refers to an Act to Acquire the Assets of Inco Limited.

The minister will note, of course, that it makes provision for the Ontario Nickel Corporation. Assuming as I do, that in the course of this Parliament the government will see the wisdom of the bill standing in my colleague's name and decide to adopt it as a government bill, would the minister please, in the course of his response on second reading to the bill, indicate whether or not it would be affected by the Crown Agency Act? Would he treat it, for example, in the same manner as the Ontario Hydro-electric Power Commission is treated, that is it's not affected by the Crown Agency Act? On the other hand, would he want to have it audited by the auditor under the Audit Act of 1977? That's the first point that I think is of concern to all of the members of the assembly.

The second matter is that I would like the minister, if he would for the record, to delineate or name the particular crown agencies which are not affected by the Crown Agency Act so we'll understand the full import of the amendment which he proposes. I think if the minister could reply to those two comments of mine it may not be necessary to put the bill into committee of the whole House.

Mr. Deputy Speaker: Is there any other honourable member wishing to participate in the debate?

Mr. Breithaupt: Not after that, Mr. Speaker.

Mr. Deputy Speaker: If not, the honourable minister.

Hon. F. S. Miller: What amazed me, Mr. Speaker, is the absolute sincerity with which the honourable member was able to deliver those words. I must say his acting ability is greater than mine.

Mr. Lawlor: Oh no, that is not so.

Mr. Breithaupt: He can just keep a straight face.

Hon. F. S. Miller: No, I defer to it completely. I've never been able to keep a straight face, because I'm a straight character; I never had to worry about that problem. The fact is I will give this solemn undertaking to the member. Should Bill 66 pass this House, I will gladly exempt it from the conditions of this and set it up as we have the other exemptions so it would have its own auditors. Is that fair enough?

Mr. Renwick: Yes, I was hoping that would be your position. That is very wise.

Hon. F. S. Miller: That's the kind of reassurance the honourable member wanted from me, so when we nationalize Inco, and I'm sure the member would find our government completely in favour with that bill, we would be able to set up a crown corporation that would be audited by independent auditors. Is that clear enough?

Mr. Renwick: That's the first positive statement I have heard from the Treasurer about the government's intentions. My colleague will be delighted.

Hon. F. S. Miller: The other two agencies which are still not covered by this amendment are the Ontario Transportation Development Corporation under its act, and the Ontario Energy Corporation under its act. In their acts, as with Hydro, specific exemption is given to those two corporations. I understand it was at the request of the provincial auditor that this be so.

Mr. Renwick: If the minister would permit just one question, it would not be necessary to put it into committee. Does the minister know who the auditors are of those two corporations?

Hon. F. S. Miller: No, Mr. Speaker, but I will give the undertaking to put it on the record.

Motion agreed to.

Third reading also agreed to on motion.

AGRICULTURAL DEVELOPMENT REPEAL AMENDMENT ACT

Hon. F. S. Miller moved second reading of Bill 3, An Act to amend the Agricultural Development Repeal Act, 1973.

Hon. F. S. Miller: Mr. Speaker, very briefly, I would say this is a historic occasion. I would think particularly the two lawyers in the front row of the NDP should appreciate the nature of this particular bill. Let me read the title of it to you. Even I, uneducated, unschooled in the law, can recognize something is different about this bill.

Mr. Epp: But you sold a lot of Edsels.

Hon. F. S. Miller: I didn't sell Edsels, I sold things that had resale value.

Mr. Breithaupt: He bought them.

Hon. F. S. Miller: I bought them from those who had bought the lemons.

Let's look at the full title: An Act to Amend the Agricultural Development Repeal Act, 1973. Do you realize that in the history of this Legislature we have never, in so far as we can find, amended a repeal act?

[8:45]

The purpose of this act is simple. There is still a requirement for mortgages that are registered against any loans or advances made under the original Agricultural Development Act to be processed—and about 25 a year are, even though they have been paid off long ago. But in the spirit of deregulation we simply felt that since no debts are owed to the crown, this was imposing one more hurdle for people trying to clear title, taking a good deal of time and a good deal of cost. Therefore we felt we should clearly, in this amendment, discharge any mortgages that remain under this act so there is no need for lawyers in the future to come to the crown, to the Treasurer specifically, and get the repeal.

I looked into the history of the act and learned that these moneys were given out by the settlers' loan commissioner and the commissioner of agricultural loans. They were loans of cash and kind, seed grain, made to thousands of farmers who were settling in Ontario many years ago. I thought it was kind of fun to look back into the history of the act.

Mr. Lawlor: How long ago?

Hon. F. S. Miller: About the time you got elected.

Mr. Riddell: I am indeed humble that the finance critic for the Liberal Party has asked me to make a few comments on this very far-reaching and important bill. As the minister has implied, Bill 33 is simply introducing a minor housekeeping change, which makes a great deal of sense. We in this party certainly support it.

Under the Agricultural Development Act loans were made to farmers, as the minister has already indicated, to help them make improvements on their land and to help them with their farming operation. These loans were made over 30 years ago and have been completely paid off, but not necessarily discharged from the title of the land. When a loan was made, it was registered against the title, and in the transfer of land the new owner would find the previous owner did not register the discharge of the loan. When they found that a mortgage was registered against

the title to the land they were purchasing, the lawyers would of course be involved and they would be writing to the ministry to have the loan discharged. This incurred an added expense to the purchaser, and it involved a lot of paperwork for the ministry to discharge the loan.

Where there are mortgages on titles the main effect of the amendment is to clear all titles of mortgages registered against them. This relieves the ministry of having to sign a release of mortgage which has long been liquidated. All mortgages on title, therefore, would be deemed to be discharged, leaving the land with a clear title in this respect.

I am surprised it has taken the government this long to realize that an unnecessary expense could have been alleviated some years ago. It has only been within relatively recent times that this government has been concerned about curbing its wild spending habits, and this is just another example of its mismanagement. However this is understandable, I suppose, considering the calibre of people directing the affairs of this province.

Earlier this week, I asked one of the ministers, who I thought should be knowledgeable about the act—and I won't mention any names—to explain the amendment to me. He indicated the intent of the amendment was to repeal that section of the bill which permitted urban dwellers during the time of war to use vacant lots to grow victory gardens. I said, "You have got to be kidding." He said, "No, I am not. There is the Treasurer sitting right there. Find out if that isn't the fact." I wasn't too sure I would get much more assistance from the Treasurer, so I just forgot about it and contacted some of the ministry officials to see what it was all about.

I certainly question the minister's understanding of the bill, but when I observed his sincerity and learned later what the bill was all about, it simply confirmed my lack of faith in a couple of the ministers over there in the job they are doing.

Mr. Renwick: I am glad to have the explanation which was given by the critic of the Liberal Party. That has helped me immensely. As a matter of fact, it was a predecessor of this party, if my memory serves me correctly, the farmers' party, which passed this act originally. It was repealed in 1973, and there has been a close connection between this party and the farmers of Ontario ever since.

Mr. Breithaupt: I am stunned.

Mr. Renwick: I hope the honourable members noticed that the Treasurer nodded in agreement that it was passed by the farmers' party in the aftermath of the First World War. I consulted my colleague the member for York South (Mr. MacDonald) with respect to the repeal. He indicated it appeared to be consistent with Tory policy to be against agricultural development in this province and therefore there was little if anything we could do about the bill. He suggested that, since it is so consistent with Tory philosophy, we should support the bill at this time.

Hon. F. S. Miller: Oh, my goodness.

Mr. Breithaupt: Mr. Speaker, I want to ask a question or two with respect to some of the items which I have heard so far this evening on this bill. I will not refer back to the United Farmers of Ontario at this point, but the one thing that did strike me was the comments earlier on with respect to the learned legal abilities of the Minister of Consumer and Commercial Relations (Mr. Drea). I find he is even upstaged by my colleague from Huron-Middlesex, who has given a most illuminating comment with respect to this legislation.

However, I wonder if the Treasurer can advise us how many of these documents are thought to be outstanding. Also, is it the intention to have the various registrars search through their documentation to rule out documents that can now be otherwise ruled out, or is it the intention of the minister, when asked for a discharge in future, simply to cite this act as the authority and not have to provide one? I presume the latter would be the case.

Hon. F. S. Miller: Mr. Speaker, it is always nice to let the opposition have the opportunity to stand up and clobber us, even if it is with a minor amendment like this. I would have felt badly had they not done anything else.

I would like to say the members opposite had a very succinct summary of my act; I wish I had had it for my ministerial statement. But over here we do things from our heads and not from a piece of paper; so we have to just stand up and—

Mr. Breithaupt: No wonder it comes out that way.

Hon. F. S. Miller: That is why it comes out slightly like that; it follows the passages of my head.

We have around 25 requests a year for discharge. But we do not have any measure of the number of them existing around the

province. I understand citing the act would be all that was required for the discharge.

Motion agreed to.

Third reading also agreed to on motion.

FIRES EXTINGUISHMENT REPEAL ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 43, An Act to repeal the Fires Extinguishment Act.

Mr. Rotenberg: Mr. Speaker, I am pleased to move second reading of this bill, and of the two following bills, to repeal three bills which in our opinion are obsolete and unnecessary pieces of legislation. The government has consulted the municipal liaison committee on these bills, and the MLC has indicated it has no objection to their repeal.

Mr. Lawlor: This suits the honourable member. He is called the sunset member.

Mr. Rotenberg: Mr. Speaker, this is part of a policy of the ministry and the government, as seen by the last bill introduced by the Treasurer to review certain legislation and to repeal those acts we feel are redundant.

I speak specifically to Bill 43, An Act to repeal the Fires Extinguishment Act. This act was first enacted in 1890 to provide means of extinguishing forest fires. It was re-enacted in 1913 under its present title. It enables county councils to authorize fire guardians, fence viewers, overseers of highways or pathmasters appointed by township councils to order the male residents of a township to help fight a forest fire.

Section 376, paragraph 7, of the Municipal Act now authorizes the reeve, the deputy reeve or, in their absence, any member of township council to call out male residents of a township to fight a forest fire. Moreover, in fire regions designated under the Forest Fires Prevention Act, officers appointed by the Minister of Natural Resources "may employ or summon the assistance of any male persons between the ages of 18 and 60 years" for fighting forest fires.

As a result, this other legislation, the Fires Extinguishment Act, is clearly redundant.

Mr. Epp: I am pleased to rise and speak to this bill and in the spirit of accommodation I will indicate that we will obviously support the repeal of this act. The simple reason is that it is adequately covered in the Municipal Act. As the parliamentary assistant has pointed out, the latter pretty well meets all the conditions that are necessary.

The only question I have is why it has taken so long to repeal this particular act.

I would have thought that when the relevant section was entered into the Municipal Act, and perhaps the parliamentary assistant can indicate when that was done—on page 227 of the Municipal Act—it would be interesting to have on the record whether it was 110, 15, 29 years ago, or whatever the length of time was.

Since we support the sunset principle first raised in this House by my leader, Dr. Smith, and the government later set up a committee under the Hon. Doug Wiseman to study the sunset law provision—

Mr. Lawlor: Sunset law has been around since Adam.

Mr. Epp: I'm sorry, I wasn't around when Adam was around to know that he had mentioned it.

Mr. Lawlor: To credit your leader with sunset law is absurd. You've got Rotenberg saying it.

Mr. Epp: I think the honourable member has got sunset mixed up with moonshine.

Nevertheless, it is important that the government repeal a number of acts. I am sure there must be hundreds of other acts in force that need repealing simply because they are no longer necessary—they are redundant.

We support this and look forward to the repeal of many other acts that are no longer necessary.

Mr. Swart: We accept the reasons given by the parliamentary assistant for the repeal of this act. To spend much time discussing the repeal would give some reason for considering some amendments to the rules of this House, because the act is so redundant.

However, my colleague from Riverdale pointed out another reason we strongly support the repeal of this act, and that is because it is a sexist act. It applies only to males. The act as it exists now does not provide for the calling of females to fight forest fires. For that reason, too, we are in favour of repeal of the act.

This act is actually a bit broader than the other legislation we now have, but it is totally out of date in dealing with the situation that exists today.

So of course we will be supporting this bill.

[9:00]

Mr. Bounsall: On close examination of the bill though, repealing the Fires Extinguishment Act does not improve the sexist situation in Ontario. Reading the explanatory note paragraph is that we already have this covered in that a "reeve or a deputy reeve

or, in their absence, a member of the township council," under paragraph 7 of section 376 of the Municipal Act, is authorized "to call out male inhabitants of the township to fight forest fires." So what we have in the repeal of the Fires Extinguishment Act which is only reasonable when it is covered in one other form, does not remove the sexist connotations where only males may be allowed under the Municipal Act to be called to fight forest fires.

Under section 7 of the Forest Fires Prevention Act, "officers appointed by the Minister of Natural Resources may summon any male person of 18 years" or over.

My party, with its interest in equality and women's rights, does not suggest that any woman would be any more delighted than males are to be pressed into fighting forest fires against their will—but again, it still allows the summoning out of males only. I would think that the ministry when repealing the Fires Extinguishment Act, which is redundant in the light of the other two sections, would clean up these two sections so that it would simply read that the reeve or deputy reeve under the Municipal Act could call a person out and, under the Forest Fires Prevention Act, the officers of the Ministry of Natural Resources may summon a person of 18 years of age to 60 years of age to assist in fighting forest fires. That would simply be "a person." If they take this opportunity to repeal this act, which is reasonable, they should change those two sections under the other two acts.

Mr. Deputy Speaker: The honourable member is really straying from this particular act which is before us.

Mr. Bounsall: The reason for the withdrawal of this act is that it's covered under two other acts. In my opinion, those two other sections remain sexist.

Mr. Deputy Speaker: But those two other acts are not before us.

Mr. Bounsall: The only reason this bill is before us, Mr. Speaker, is that those sections of those other two acts exist. They're sexist and the government should have taken this opportunity to amend them.

Mr. Deputy Speaker: Is there any other honourable member wishing to participate in this debate? If not, the parliamentary assistant.

Mr. Rotenberg: Mr. Speaker, I note the question of the member for Waterloo North as to when section 376 was put in the Municipal Act. I'm sorry, I do not have the answer for him but I will get it and send it to him at the appropriate time.

He also asked why it took so long to repeal the act. Speaking personally, I've only been the parliamentary assistant for two months so what went on before that I don't know, but as I indicated earlier, there has been a policy of the government to review legislation that has not been too long a policy and I hope there will be more of these repeals coming forward.

As to the alleged sexist part of this act, Mr. Speaker, that situation isn't changing as between the present legislation and the ones that have been enacted recently to replace it. However, as far as the Municipal Act is concerned, there is an ongoing review of that act and when we get to that section I can assure the member for Windsor-Sandwich that we will review as to whether or not it is sexist and to whether or not we should change "male" to "person." That will be reviewed. What the result of the review will be, I don't know, but as he has raised it, certainly, the ministry will review it.

As far as the other act is concerned, that comes under the Ministry of Natural Resources. I'm sure someone from that ministry will note the debate tonight and, also, in their wisdom and at the proper time, make the review. With those words, Mr. Speaker, I would ask that we pass second reading of Bill 43.

Motion agreed to.

Third reading also agreed to on motion.

VACANT LAND CULTIVATION REPEAL ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 44, An Act to repeal the Vacant Land Cultivation Act.

Mr. Rotenberg: Mr. Speaker, this act was enacted first in 1918 and authorizes the councils of local municipalities to grant permits "to any persons to enter upon, hold and use any vacant land in a municipality" for cultivation and raising crops. However, before issuing a permit, the council is required to hear the objections of the owner and cannot issue a permit if the owner satisfies council that the land is required during the current year for building or manufacturing or other revenue-producing purposes. If a permit is issued, no compensation can be paid to the owner of the land.

This statute was enacted during the end of the First World War when so many Canadians were returning home from Europe. However, the provisions would appear to be rather excessive in present day circumstances and would seem to constitute undue infringement.

ment on individual property rights. I should mention that the repeal of this bill will in no way interfere with the present ability of municipal councils to continue to lease public lands to urban residents for use as garden plots.

For these reasons I would ask the House to adopt Bill 44.

Mr. Epp: Mr. Speaker, there is good reason for this particular act to be repealed and we obviously support what the parliamentary assistant to the minister has said. I think he has articulated quite well why this is being done and it doesn't deserve any further comment. This kind of measure by the government is wholly endorsed.

Mr. Isaacs: I thank the parliamentary assistant for his comments on this bill because the explanatory note contained within the bill is just about as illuminating as it's possible not to be. That sort of explanatory note prompted me to investigate the act being repealed a little more carefully than I might have done otherwise—I guess that's my suspicious nature—and I found a very interesting and potentially useful act.

I recognize, as the member for Waterloo North has already mentioned, that the exact provisions of the act may not be appropriate for our current circumstances. But the idea, the concept, of making the maximum possible use of all available land in this province might be something the government should explore a little bit further. In many suburban areas surrounding our major municipalities, there are vast amounts of vacant land being held, presumably, for future development. In the case of some of these areas, that future development may be many, many years away.

The present municipal tax structure and the present ability municipalities have to order cleanups of that land and to encourage the use of the land for useful purposes really don't seem to be too effective. I think it's a pity that people were not perhaps as aware as they might have been of the Vacant Land Cultivation Act during recent years, because I suspect that if people had been aware of its provisions there might well have been more applications to local councils to take advantage of it.

Be that as it may, as I indicated, my feeling is that the exact provisions of the act, the matter of licensing for \$1, the matter of advertising and giving notice to the owner of the land, may not be entirely appropriate for our current circumstances, and therefore, we will not be opposing this Act to repeal the Vacant Land Cultivation Act.

Mr. Swart: I would like to rise and say that I am in full accord with the comments

made by my colleague from Wentworth and point out, as he has done but perhaps in a little different way, that the government of 1918 was really even more progressive, more concerned about the utilization of our farm land than the present government some 61 years later. The present government hasn't even taken the necessary steps to preserve our prime agricultural land in this province, let alone assure that it is going to be used for agricultural purposes.

We recognize this bill we are repealing applies to a different age and that largely it was for the purposes of keeping weeds down and the cultivation of land owned by non-resident owners who didn't come to the land during the spring and summer to destroy the weeds. There was poor communication in those days and the best alternative was to allow somebody else to utilize that land. As this communications situation no longer exists, I think we have gone past the need to authorize a public body like a municipality to give permission to one person to use somebody else's land.

I guess we support the repeal of this, partly because at this time it is appropriate so to do. But I am convinced that not too far down the road, in 10 or 20 years, we are going to have the exact same concern for the utilization of every hectare of land in our country for the growing of food that the government had when it enacted this legislation in 1918. We are going to be paying the price in our society for not taking the necessary action to preserve and utilize that food land.

The previous legislation was an ineffective, inappropriate way of seeing that our prime food land is used for producing food, but we recognize there is a need for the kind of legislation which some thoughtful government like the NDP government in British Columbia enacted for preserving food land for this and future generations.

Motion agreed to.

Third reading also agreed to on motion.

FIRE GUARDIANS REPEAL ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 45, An Act to repeal the Fire Guardians Act.

Mr. Rotenberg: The reason for this bill and the repeal are pretty well set out in the explanatory note and I would just like to put them into the record.

The Fire Guardians Act, which was enacted in 1889, enables township councils to appoint fire guardians whose responsibility it is to regulate the setting of open air fires

in the township between April 1 and October 31. However, under section 354(1), paragraphs 25 to 45 of the Municipal Act, the councils of all local municipalities have extensive powers respecting fire matters. These include the authority under paragraph 29 to pass bylaws regulating open-air fires and, under paragraph 41, to employ officers to enforce such bylaws.

These broader powers in the Municipal Act make the provisions of the Fire Guardians Act redundant and therefore I would commend this bill to the House.

[9:15]

Mr. Epp: It would be somewhat repetitious to go over the same points I raised in the other one, so I will indicate we will support this bill in principle and endorse the government's trend toward getting rid of unnecessary legislation.

Mr. Swart: For obvious reasons, we support this bill.

Motion agreed to.

Third reading also agreed to on motion.

LINE FENCES AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 17, An Act to revise The Line Fences Act.

Mr. Rotenberg: Mr. Speaker, I hope this bill will receive as quick a passage as the previous three which we just put through the House.

In 1793, the first provincial parliament of Upper Canada, meeting at Niagara, passed an act providing for the appointment of persons to serve as fence viewers in every parish, township, reputed township or place. Acts were subsequently passed in 1834, 1845, 1859, 1868, and 1874, respecting line fences and the resolution of disputes involving them. Finally in 1913, the 1874 act was re-enacted under its present name of the Line Fences Act. This statute has remained more or less the same since then.

For some time, there has been general agreement that the act should be revised to make it better able to deal with present day circumstances. To this end, lengthy discussions have taken place with a number of interested parties over the last few years, including interested citizens, representatives of the Ontario Federation of Agriculture, the Rural Ontario Municipal Association; and urban municipalities such as the city of Toronto and the borough of Scarborough. I am pleased to report there is general agreement on most of the issues and agreement by most parties on all of the issues.

There are three main objectives in revising the act. The first is to make the procedure for settling fence disputes between adjoining owners somewhat quicker. This is especially important in agricultural areas in the spring when one of the owners needs a line fence repaired before he can turn out his livestock. The second objective is to make the procedure simpler and more informal for property owners who want a dispute arbitrated. This will be accomplished by making municipalities responsible for administering the arbitration and by keeping disputes, as much as possible, out of the courts. The third objective is to make the legislation more flexible by giving wider discretion to the local fence viewers in making their awards. This will enable them to consider all of the relevant factors involved in a situation whether in a rural or urban area or in an agricultural or non-agricultural setting.

The first draft revising this act, Bill 135, was introduced last year on June 22. It was then widely circulated and a great many comments were received. Bill 201 replaced Bill 135 and was given first reading December 8, 1978. It incorporated a number of the recommendations that were received. In addition, some sections were reworded in an attempt to make their provisions clearer. The sequence of others was rearranged to provide a more logical structure of the bill. With only minor revisions, Bill 201 of last year is incorporated in the present Bill 17.

Mr. Speaker, I would like to very briefly summarize the changes in Bill 17 from the present Line Fences Act. Firstly, a line fence will no longer be mandatory in every case, but only when one adjoining owner wants one, in which case he may construct a fence on the boundary line. I would stress that if one owner wants a fence and the other does not, there shall be a fence.

The distinction between occupied and unoccupied land is being removed.

Although this act generally will not extend to unorganized territory, the Lieutenant Governor in Council is being empowered to make regulations in dealing with disputes in such territories. In addition, provision is being made for disputes where one owner's land is in a municipality and the adjoining owner's land is in unorganized territory.

Municipalities will be required to appoint a sufficient number of fence viewers and to fix their per diem rate. When an owner wishes the fence viewer to arbitrate, he will simply notify the municipal clerk, rather than the present circumstances where he has to arrange the thing himself, contact all the fence viewers and the adjoining owner.

The options of the fence viewers in making their awards under this new act are being clarified and broadened. The appeal of either owner from the fence viewer's award will now be to the small claims court rather than to the county or district court, in which case we hope the procedure will be much quicker.

An owner in the process of constructing a fence, pursuant to an award, will be able to enter on to the adjoining land to the extent necessary to do the work. If one owner fails to obey the award and the other owner does the work and wants to recover the value of the work, he will have the fence viewers reconvene to certify the amount owed him by the defaulting owner rather than having to take his action to the small claims court.

In addition to the methods in the existing act for collecting the amount owed him by the defaulting owner, the other owner will be able, if the municipal council so decides by bylaw, to collect the amount immediately from the municipal treasurer, and the municipality will then collect the amounts from the defaulting owner as taxes, with interest.

These are the main features of the new legislation, as distinguished from the present Line Fences Act. Of course, we will be dealing with details of the various clauses as the points are raised, if points are raised by other members of the Legislature, when we deal with the bill clause by clause in the committee of the whole House.

I would indicate that I will be placing two amendments to the bill when we are in committee of the whole House, and I have given copies of both of these amendments to the opposition members.

I would ask the Legislature to support this bill.

Mr. Epp: Mr. Speaker, as the parliamentary assistant has indicated, the Line Fences Act has had a considerable amount of discussion over the past year and a half or two. It was introduced on June 22, 1978, and prior to that there was a lot of discussion.

We commend the government, obviously, for the discussions they have had, both with the Ontario Federation of Agriculture and with the Rural Ontario Municipal Association, and specifically with Mr. Donald Rodgers, the association's secretary-treasurer, who has been a tower of strength in trying to suggest a number of very important amendments to this bill, some of which the government has obviously adopted and others which it has, discreetly or indiscreetly, rejected.

In particular, I want to draw attention to a gentleman from Lindsay, Reeve Don McCumber of Emily township, in Victoria county, who spearheaded a special evening at Sir Sandford Fleming College in Lindsay, to discuss the pros and cons of Bill 17. Mr. McCumber, at his great inconvenience, arranged a meeting which about 100 people attended, and the ministry officials tell me that this was one of the best attended and most productive meetings that they had on this particular subject.

I knew you would be glad to hear that, Mr. Speaker, because it is important that our citizens be recognized when they make important contributions to bills. It is important that we single out people like Reeve McCumber. There was no need for him to do this, there was no great pressure on him to do it; nevertheless, at his great inconvenience, he arranged this meeting and, as a result, important amendments were made which the ministry personnel were appreciative of receiving.

In the future I hope that other people will come forward and take active roles of this nature so that the Legislature can benefit by their contributions.

There is an interesting account, I think in *Municipal World*, given by the editor, Mr. Michael Smithers. He first gave it in 1971, and then at the request of the Ontario Federation of Agriculture he repeated it in a later issue. It is a history of line fences. He has indicated that the story of line fences goes back to the Dark Ages when they had ordinary fences, dividing walls, stockades, hedges, stone fences, wooden fences, wire fences, stumps, concrete, turf and what he calls "ridiculous looking but economical and efficient electric fences today."

So even in the olden days, as we sometimes call them—sometimes the good old days—people had a lot of quarrels and disputes and arguments and disagreements. Something had to be done to try to reduce them, so I suppose they built fences in order to contain their own vigorous energies from boiling over and getting carried away over disputes with their neighbours.

We note that at one time—before 1834—the fence viewers were elected at town meetings, so the whole populace had an opportunity to share in electing the fence viewers. That came up in 1834 when new legislation was passed. Their criterion for choosing these fence viewers at public meetings, to quote Mr. Smithers, was that they had to be "fit and discreet persons to serve the office of fence viewers." I am not sure in which way they had to be fit, whether

they had to be physically fit, mentally fit or in some other way. Nevertheless, that is the way they describe them, without having defined the terms.

Mrs. Campbell will appreciate this; I do not recall they said they had to be male.

Mrs. Campbell: That was a foregone conclusion. It still is.

Mr. Epp: Maybe they have more foresight than hindsight, I am not sure.

Anyway, an account of a decision that a Mr. Justice J. McEvoy made at that time is as follows: "The need for fence viewers arose from the fact that disputes were constantly arising about line fences, i.e., fences which separated one man's land from the farm lying adjacent to it. When one settler had fenced his farm on four sides, the next settler came, and by fencing his farm on three sides and adjoining his fence to that of his neighbour, he was quite as well off as the first settler although he had done only three quarters of the amount of work. It became the province of the fence viewers to say what amount the new man should pay for being allowed to use his neighbour's fence."

After a while they felt it was very difficult to assess the amount of money that the original settler had paid for that one side that was now benefiting his new neighbour, so this particular statute was amended by saying that the new farmer did not have to bother paying the original cost but only had to pay his share of the upkeep of the joint fence.

One of the questions that always arises when discussing lands is whether crown lands should be included, or whether they in fact are included. The Interpretation Act tells us that if the crown lands are not expressly stated as being included in the act, then they are excluded. So later on I will be introducing a few amendments, specifically a new section 24 which will exclude some of the crown lands but will include others in sections 22 and 23.

We are told that fence viewers will have to consider what constitutes a lawful fence and in doing so they must take into consideration statutory provisions, municipal by-laws, type and location of the fence in question, and all kinds of precedents and other things. Obviously, we will need very able and knowledgeable people in this field who have important tasks to perform.

[9:30]

In reviewing some early decisions we find that the judges have made a number of decisions regarding the fence viewers' earlier

interpretations and decisions. In Caledon township a Squire McLaughlin back in the 1800s ruled that a brush fence—that is a fence made of brush, logs and rocks and so on—to be legal must be "40 feet wide and damned high." Of course, Mr. Speaker, I wouldn't use that word unless it was written here as used by the squire 100 years ago.

Someone else defined a suitable fence as being "horse high, bull strong and skunk tight." Obviously in those times they required things other than we do.

The important aspects of this legislation must be to define the problem and try to resolve it through a process which is relatively simple and fair to all parties concerned. If the problem persists, as it often does, there has to be some kind of appeal process, and this bill permits that process.

I believe this legislation does just that. It is fair, and it provides for a course that persons appointed as fence viewers can follow. If they exercise the wisdom of Solomon, the concern and the humanity of Albert Schweitzer, and the determination of Abraham Lincoln, I am sure we are going to have very good decisions in the future.

Mr. Swart: I am pleased to rise in support of the bill that is before us, although we have some reservations. Certainly the bill itself is a major move forward in the matter of establishing and dividing the cost of line fences among the owners of the land. But it falls really far short of solving all the problems.

I think we all recognize in this House that to farmers this is a major bill. It may be that a large part of the population of this province is not particularly concerned about this bill, but to the farmers it is a very important matter. Therefore, I think it deserves some very close consideration.

In spite of that, it is rather a simple bill and I quite frankly wonder why it took the government so long to get to this point of having the bill before us. Secondly, I wonder why they didn't go a bit further and meet some of the other requests of the farmers and rural municipalities.

For instance, the improvements which have been made in this bill were made only after repeated pressure from the farm organizations and the rural municipalities. The government just seemed reluctant to make any changes in the old act, as much as those changes were needed. This, as we all know, is the third of the bills brought in to revise the Line Fences Act. In fact, it does a bit more than revise the Line Fences Act, it actually replaces it. It is a whole new act.

Even though the government says that the consultations had gone on for months, and even years, the first bill which was brought in, Bill 135, met very few of the requests of the Ontario Federation of Agriculture and the Rural Ontario Municipal Association.

The Ontario Federation of Agriculture presented a brief to the Minister of Intergovernmental Affairs in November 1978, after the second bill came in. In it, they pointed out that long process that took place. They said: "After many years of discussion and negotiation between the federation, the Ministry of Agriculture and Food, ROMA and the Ministry of Intergovernmental Affairs, the position was reached during 1978 whereby it was agreed that most of the recommendations of the federation would be implemented in the new act, save for highway and road fences which would be reserved for treatment under the Public Transportation and Highway Improvement Act. Subsequent to these discussions and agreement, Bill 135 was produced and presented for implementation in the Legislature."

It goes on to say they were "requested by the previous Minister of Intergovernmental Affairs, the Honourable Darcy McKeough, to provide comments regarding the current Bill 135 and the following are detailed comments framed in light of longstanding basic principles regarding line fences and legislation pertaining to them. The Ontario Federation of Agriculture recommends as follows . . ."

Then it goes on to all the principles which they had put forward with regard to the Line Fences Act and which had not been adopted by the government in Bill 135. As a result of that, Bill 201 was brought in, which incorporated some of those changes. Then the present Bill 17, which we have before us, incorporated a few more of those requests but, as the parliamentary assistant well recognizes, it still hasn't met the requests of the Ontario Federation of Agriculture.

I recognize there is some difference in viewpoint, perhaps slight, between the rural municipalities and the federation of agriculture, but where there has been that difference, they have come down on the side of the Rural Ontario Municipal Association rather than the side of the Ontario Federation of Agriculture.

The Ontario Federation of Agriculture pointed out that the basic principles underlining the federation's recommendations were first that line fences should only be constructed where there is a demonstrated need. The first bill brought in, Bill 135, made line fences mandatory, but that, of course, has now been changed.

They went on to say: "Another basic principle is that all lands, regardless of the category of the owner, should be subject to the provision of revised Line Fences Act, and this would include the crown and the crown agencies." That was one of their basic principles. That is excluded from even the act we have before us.

They also stated: "Another basic principle is that the Line Fences Act should apply in each and every municipality in the province without reservation." The present act does not apply. The bill we have before us does not apply to every municipality in this province, so municipalities which have passed the bylaw under the Municipal Act can pull themselves out from under even though that municipality may have a great number of farmers within the municipality.

They stated one further principle: "The government should have the same responsibilities for land as any other landowner and should demonstrate good citizenship by subscribing to Ontario's Line Fences Act as it affects their own landholdings." That refers not only to crown land but land owned by municipalities as well. Yet this act before us now does not meet the requests of the federation of agriculture.

I want to deal just briefly with the positive aspects of this act, and there are a substantial number of positive sections in it. It certainly makes a more sensible base for determining where fences shall be constructed; as has already been stated, it does away with the distinction between occupied and unoccupied lands. This was always a sore point: what is occupied land and what is unoccupied land? The only way that could be determined was by the courts. Now it applies to all lands.

Under the former act, line fences must be built between occupied properties, as the parliamentary assistant has pointed out. Now they must be built only if one owner requests them—one of the two owners or perhaps, in some cases, more than two owners. I would point out that the bill as it is before us is very poorly written in that regard, because it is quite ambiguous.

If the parliamentary assistant will look at section 4 of the bill, it speaks of the procedure whereby one landowner may initiate the necessary procedures for getting a fence. He notifies the clerk of the municipality. Then it goes on to state in section 4(2) that the clerk of the municipality shall notify the other owner in the prescribed form and he shall cause "three fence viewers of the locality to arbitrate in the premises." Then, if we go on to section 7, we read that the

fence viewers "shall"—note the word "shall"—"make an award in the prescribed form, signed by any two of them, respecting the matters in dispute and the award shall state that a fence shall be constructed and maintained," et cetera.

Then, if we go on to section 14, we find out that it is almost totally contradictory to section 7 because it states, in section 14(1): "Where the fence viewers have attended at premises pursuant to a notice given under section 4(2),"—that's where the clerk notifies them to attend—or certain other sections, "... and have decided that no award, certificate, or determination with directions as the case may be, shall be made, they shall prepare their decision in the prescribed form..."

The bill says on one hand in section 7 that they must make an award; however, in section 14, the bill clearly states that they have the right to decide that no award shall be made. As I said, those two sections are extremely contradictory. That should be clarified by amendments before this bill is given third reading and becomes an act of this Legislature.

It was a big battle for the Ontario Federation of Agriculture to get the government to decide that it should be the municipalities that give out these notices. They say good fences make good neighbours. I say it perhaps requires a bit more than that. Good fences make good neighbours, and legislation which provides for fairness in paying for and erecting those fences also makes good neighbours. Under the former act of this Legislature where one farmer had to give notice to the other farmer, it really didn't make for good neighbours. It should be done through the municipality.

The present bill recognizes that and does that. But with Bill 135, after all the discussions with the Ontario Federation of Agriculture and with the Rural Ontario Municipal Association, the government brought in a bill that didn't accomplish that—in fact, it left it optional so that a municipality may have opted out if it wished not to give such notices. That has been corrected. That is one of the positive things about this new bill.

The new bill also incorporates to a substantial degree the request of the federation of agriculture that the principle be established in the act that there be an equal division of responsibility, both financially and for construction of line fences. However, once again, the Ontario Federation of Agriculture is not entirely happy with the act as it is written at present because the

federation feels it doesn't make that as clear as it could. As a result, we will be bringing in an amendment to that section.

[9:45]

The final positive thing in this act is that it does provide, as the parliamentary assistant has stated, for reasonable and speedy appeal procedures—and that is important—so that the fence can be erected.

As I have already stated, there are some shortcomings in this act; I mentioned two or three of them: the contradiction between sections 7 and 14, and the principle of the 50-50 split of responsibility not being firm enough. In addition, there is the section which provides for the payment by one owner to the other owner of his share of the construction of the fence. The bill we have before us provides that the clerk shall levy that against the taxes of the property if the owner refuses to pay it. The owner may go to court to collect it, but he may also ask the municipality to assess those costs and levy them in taxes. Those of us who know the Municipal Act will realize that it could be five years before he gets the money out of it. It might even come to a tax sale before he recovers his money.

It is somewhat significant in this bill that when it comes to payment of the judge who sits to hear the appeal, he shall be paid by the municipality. He does not collect from either side. The bill makes sure that the judge gets his money, but the farmer who may have invested several hundreds of dollars in a line fence could wait for six months, a year, two years or five years to get his money.

There has been such a substantial shift of responsibility to the municipalities—the government has gone so far in other fields in providing that it is a municipal clerk who will give the notices; it is the municipality that will pay the judge—in fact, in all fields the responsibility rests on the municipality, except in this one.

The bill does provide, of course, that a municipality may pass a bylaw whereby it may pay this money immediately over to the fence bureau, but I suggest that is opting out. The minister did that too in the original bill with regard to the notices; the municipality could pass a bylaw stating they did not have to give out the notices. I suggest the minister should have gone all the way on this too and made it reasonable and sensible that, once that levy is put against the property, the municipality should pay that money over to the farmer who has spent it on behalf of the other property owner—half

of it as been spent on behalf of the other property owner.

Another shortcoming of this bill, as already mentioned, is that the Line Fences Act does not apply to lands where a municipality has passed a bylaw under section 354(1) (21) of the Municipal Act. I am sure the parliamentary assistant, who was in municipal government for quite a number of years, will realize that section of the act was passed primarily for urban municipalities. That section of the act permits municipalities to pass bylaws "for prescribing the height and description of lawful fences; for prescribing the height and description of and the manner of maintaining, keeping up and laying down, fences along highways or parts thereof, and for making compensation for the increased expenses, if any, to persons required so to maintain, keep up or lay down any such fence; [and] for determining how the cost of division fences shall be apportioned, and for providing that any amount so apportioned shall be recoverable under the Summary Convictions Act, provided that "until a bylaw is passed, the Line Fences Act applies."

I repeat that this is intended primarily for urban municipalities. That is the purpose of this section of the Municipal Act.

We know that across this province, particularly with regional governments being formed in the last 10 years, there are great numbers of regional municipalities which have an urban core but where the majority of the area within such municipalities is still rural. I could give you the example of St. Catharines where there is a population of 120,000. Of that 120,000, 119,000 are urban and yet there's a large rural area. The same thing is true of Niagara Falls. The same thing is true of Welland. The same thing is true of Thorold and when we get down to the Ottawa region, or wherever there are regions, this is the situation.

It seems to me if the primary intent of the Line Fences Act is to apply to line fences between agricultural lands, then it should apply to all agricultural lands in the province. We will be moving such an amendment.

Although there is a vague reference in this act under section 26, and my colleague from Algoma (Mr. Wildman) will be speaking further on this, which provides that the minister may make regulations which apply to unorganized territories, it just leaves it wide open. It doesn't provide any procedures at all. It seems to me where farm land exists in the unorganized territories, the principle of this act should apply. In our amendments we will endeavour to bring that about.

The changes I have spoken of, I submit to this Legislature, are desirable, and we intend to see these changes are brought about when this goes to committee. I want to say we put out our amendments some three weeks ago, when we expected this bill would be up rather shortly, and gave them to the two other parties in this House. I'm glad to see the Liberal Party, although they may have changed the wording slightly, have submitted amendments of their own which conform with ours. They agree with at least some of our amendments. Therefore, we can hope for some change.

In the future, on bills for which I have some responsibility, I just want to assure the members on the right, I'm going to do this more often. Perhaps if it gives them time to study them and to look at them closely, they will be supporting more of the policy of the NDP. If they do, that will be very much to their credit.

As I say, we will be supporting this bill in principle and ask that it go to committee of the House where we will be presenting these amendments to make rather a dramatic improvement in the bill, which in itself is an improvement over the old act.

Mr. Worton: Mr. Speaker, my purpose is clarification on Bill 17 from the parliamentary assistant, and the member for Welland-Thorold has raised it in regard to urban dwellers. One of the problems a member is often called about is in regard to fences between neighbours in an urban centre or in an urban community. That is a dispute about what type of fence they are going to put up. One may want wire mesh fence, another may want a privacy fence. Is there any procedure that will give the fence viewers a right to make a decision?

The other one could apply either to urban or rural. That is where a surveyor has gone in to a property that has been established for many years by a fence and found the fence is in the wrong place according to the original survey. There is such a thing as possessory rights. I'm wondering, rather than through the courts, is there any route for the fence viewers? Could a board be established to correct this rather than have to go to long civil litigation?

Many times, it happens that a person bought a property years ago without a proper survey. This was quite common. Now it's more common to have it surveyed before you purchase it. They find the fences anywhere—one foot, two feet, three feet out of the original boundaries. It's my understanding that if it has been like that for 10 years, through possessory rights you have the ownership. I

would just like clarification of those two issues.

Mr. Wildman: I rise in support of this bill, and in agreement with my colleague from Welland-Thorold, who has indicated a number of proposed amendments which we will be putting forward when the bill reaches committee stage.

It has been said that farmers know that good fences make good neighbours. I think, unfortunately, this motto has been ignored by many people who have been moving into rural areas over the last few years, especially as many of them are no longer actively farming and these non-farming residents don't understand the need for good fencing.

There have been problems in my riding where horses have been getting out of their pastures into adjoining properties where farmers have sown crops, and they have ruined the crops and so on. I have come across other situations where non-resident owners of property have let their fences go into disrepair and the adjoining property owner has had a very difficult time in determining who is responsible for maintaining those fences and ensuring that, in such a situation, it isn't his responsibility if his own livestock are found wandering on the road. Perhaps he could be liable for the expenses that might be incurred if an accident were to happen because his livestock had got out when someone else's fence had not been repaired.

This bill is very important to the rural area of Algoma and, as a result, during the period of review by the Ministry of Intergovernmental Affairs, I have had some contact, over the last few years, with the officials involved with the preparation of the legislation. I especially welcome the fact that the ambiguity over occupied and unoccupied land is dealt with in this bill. That was one of the major problems in determining whether land which was owned privately, but which was not used or not farmed, constituted occupied or unoccupied land, and I think the changes in this bill will deal with that problem.

I hope the ambiguity will no longer be in existence and we will have a situation where people who do not actively use their land will still have some responsibility, or can be shown to have some responsibility for maintaining their fences. So I welcome the change that removes that distinction.

I do question the exemptions that have been proposed for municipalities, school boards and for the provincial government, although I know they could make separate agreements. I welcome the fact that Ontario Hydro will be required to come under the provisions of the act, but if this change could

be made in Bill 17 from the previous Bill 135, I wonder why other public institutions could not also have been brought under the regulations of this bill.

There are a couple of other things I was worried about in the previous bill as introduced into the House. For instance, under that bill the financial considerations of the parties involved could be taken into account by the fence viewers in determining the responsibility for the maintenance of the fence or repair of the fence. I know a lot of objections were raised and that has now been removed.

[10:00]

Apparently, however, fence viewers will now be able to take into account other factors. I wonder what that means—"other factors." Is that just a euphemism for the pecuniary considerations that were in the previous bill? I wonder what that means, and I hope that can be clarified because that is a pretty wide statement if one can take other factors into account. What happens if it is found under ordinary circumstances that a particular fence is the responsibility of a particular landowner, but because of some other factor it is decided that he should not have to pay for the maintenance or the repair of that fence? That is a very wide thing and I would like that clarified.

My colleague from Welland-Thorold mentioned one of my main concerns in relation to this legislation, because as a northern member I have a large area of my riding which is unorganized municipality. A lot of members, even those from northern Ontario, who come from urban centres do not understand the problems of unorganized territory. Certainly I find that a lot of members in southern Ontario do not understand them. As a matter of fact, many of them do not even know what is meant by the term "unorganized territory."

A few years ago I wrote to the then minister, the Honourable Darcy McKeough, and pointed out to him that right now under the present law the line-fences regulations cannot be enforced at all in unorganized areas. There just is no provision under the present law for this kind of treatment of a problem on fences. Why there should be a difference I fail to see. If we have active farmers in unorganized areas they should have the same protections as their friends and neighbours in municipally organized areas.

I pointed that out to him some years ago. At the time, Mr. McKeough wrote back to me and said he was thankful I had pointed out this deficiency in the present law. His

officials who were reviewing the legislation and preparing changes would take that into account, this 'deficiency'—that was the word he used—would be considered as part of that review and it would be dealt with in the new law.

When Bill 135 was introduced into the Legislature it did not have anything about unorganized areas in it. I could not understand that, considering what Mr. McKeough had said previously, so I wrote back and said, "Look, you told me you were going to deal with this and you didn't." Subsequently I had conversations with the individuals in the ministry who are preparing the legislation. They said it had been an inadvertent oversight, they certainly were interested in having this legislation apply to unorganized areas and when they introduced the new legislation it would deal with that matter.

They asked me, as a matter of fact, if I could suggest any methods that could be used to have this legislation apply to unorganized areas. In order to get some information on that I wrote to the agricultural committee—it is called the development committee in Algoma, because after all these years we are still developing agriculture in Algoma. I asked them for some advice. Most of their members are from municipally organized areas but they certainly understood the problems of the unorganized areas. Many of their neighbours are living in unorganized areas. They wrote back and indicated that perhaps the local roads boards could be involved and administer the act in their areas.

I understood why they said that. They wanted to have local people who knew the situation in the area dealing with the problem. However, I doubt that the local roads boards would like to take on that area of responsibility. They are set up specifically to deal with problems of municipal roads in unorganized areas and, really, they have a full-time job at that, as volunteers. So I doubt that they could do it.

I looked at some other examples. I looked at other provincial programs that are administered by municipalities in organized areas and said, "Okay, how do these apply to unorganized areas?" I looked at the Ontario Home Renewal Program and found that Ministry of Northern Affairs officers throughout northern Ontario administer that program much as a municipal clerk would administer it in a municipality. So I suggested to the ministry that they might set up a situation where the Northern Affairs officers would go to the local community in the

unorganized area to get names for fence viewers and have them appointed. The Northern Affairs officer would carry out the functions of the clerk, and the local people would be able to carry out the functions of the fence viewers.

I suggested that to the ministry. I also suggested that perhaps they could look at the regional school boards, although I anticipated the school boards wouldn't be too interested in doing this. But one never knows—they carry out the functions of recreation committees and so on that would normally be under municipalities in unorganized areas.

But when we get this bill back, all it says is, under section 2, "The Lieutenant Governor in Council may make regulations to provide for determining how the cost of line fences marking the boundary between the land situate in territory without municipal organization shall be apportioned and for providing for the manner in which any amount so apportioned shall be recoverable."

All that tells me is that they couldn't figure out how to do it and they were getting a lot of criticism about how long it has taken to have this review. I realize they wanted to get the opinions of the farmers' organizations and the municipalities, et cetera, before they brought in the final legislation, and that has taken a long time. But they didn't want to hold it up any more until they could figure out how this bill applied to unorganized areas.

They haven't figured it out, so they put in this vague comment that the Lieutenant Governor in Council will decide how it is going to be done under regulations. I don't think that is good enough. I think the farmers of the unorganized areas have a right, when this legislation is proposed, to see how it is going to operate in their area, and not to have it left simply to regulations. How are they going to know whether they agree with what is being proposed if they don't know what is being proposed?

Obviously the ministry doesn't know what is being proposed. If they did, they would have put it in the act. Maybe my suggestions weren't adequate; that is quite possible. Maybe they wouldn't be workable. Frankly, I don't see why the Ministry of Northern Affairs can't get involved. They like to say they are a co-ordinating ministry. Maybe my suggestions are not workable, but why on earth couldn't the minister come up with something better than this?

As I said, I am supporting this bill. But when it comes to committee, we are going to be suggesting amendments as to how it will operate in unorganized areas. We don't want it left to regulations. If government can't

figure out how to do it, we can. We are going to be presenting those amendments and we hope the government will accept them. Obviously, it hasn't been able to figure out how to do it.

Mr. Riddell: I am pleased to participate in this debate on an act to revise the Line Fences Act and to support the bill in principle.

I listened very carefully to the comments made by both the member for Welland-Thorold and the member for Algoma. I really think they are living in the past if they suggest that good fences make good neighbours in this day and age. There are many specialized farmers who are going to be very displeased that they are going to put up half a fence to keep in their neighbours' livestock. I will have more to say about that a little later on. But today good fences will not make good neighbours.

There has been a genuine concern on the part of many farmers, farm organizations and municipal organizations such as ROMA, the Rural Ontario Municipal Association, about the existing line-fences legislation. There is no question that revisions to the present act were necessary in order to deal with present-day circumstances. The farming industry has become one of specialization, and in those areas where there is concentrated cash-crop farming and livestock farming where the animals are reared in confinement, it can be argued that line fences should only be constructed where there is a demonstrated need.

The current act makes line fences mandatory, whereas the revised act recognizes that line fences are not always needed but provides the means to settle disputes where there is a demonstrated need.

Mr. Deputy Speaker: Order. I am sorry to interrupt the member, but there are a number of other private conversations going on and they are making the member for Huron-Middlesex shout.

Mr. Riddell: That's right.

Mr. Conway: I thought he was talking to the member for Huron-Bruce (Mr. Gaunt).

Mr. Riddell: If you can't get some order in here I'll break into a chant and I can assure you then that—

Hon. Mr. Parrott: Don't do it, we give up.

Mr. Riddell: A simple and quicker method for settling fencing disputes in both rural and urban areas, and in agricultural and non-agricultural areas was needed, and one that ensures that the interests of each of the adjoining owners are dealt with equitably.

Where adjoining owners cannot reach agreement, one owner may simply notify the

clerk of the local municipality that he wants the fence viewers to arbitrate the dispute. The fence viewers will have been appointed by the municipal council by bylaw and, when notified by the clerk, they will examine the premises and if required by either adjoining owner they shall hear evidence and may examine the owners and their witnesses on oath. The fence viewers will make an award respecting the matters in dispute, and the award shall specify what portion of the fence each adjoining owner shall construct, reconstruct or repair as the case may be.

It is my understanding that the minister has amended the clause which states that the award shall specify that the adjoining owner named shall construct, reconstruct or repair, as the case may be, and maintain and keep up the whole fence. This has been a very contentious issue with the Ontario Federation of Agriculture, and I must agree that the clause is somewhat redundant as the two previous clauses permit the fence viewers to designate whatever portion of the fence each adjoining owner shall construct, reconstruct or repair and maintain as the fence viewers consider just.

There is also a question in my mind whether an owner should be relieved of all responsibility to build or repair or maintain a fence where it was deemed that one was necessary, yet this section of the bill would have given the fence viewers authority to place the entire onus on one of the adjoining landowners.

I'm sure that this section of the act was included as the minister has no doubt received correspondence from farmers throughout Ontario who have specialized farming operations and feel that the need for fencing is greatly reduced. Cash-crop farmers will argue that they do not require fences and there is no question that today most dairy and beef farmers run their operation without the need of fencing as either feedlots are used for beef or confinement to a small five or 10-acre parcel for dairy herds.

The argument that is put forward is that the farmer operating the feedlot or confinement dairy operation has to pay the total cost for housing and equipment necessary to operate his farm. Therefore, if another farmer decides that it is to his benefit to run his cattle over the land, it should be his responsibility to pay the total cost of retaining his animals on his own property by fencing or any other suitable means, and he should not expect to have a portion of his production costs subsidized by his neighbour.

This brings me back to the comment that was made by the two earlier speakers who

suggest that good fences are going to make good neighbours. That is simply not the case; I could show them letters that I've received from cash-crop farmers who are very much dissatisfied with the bill and the fact that they are going to have to pay towards keeping up a portion of a fence.

The question that arises, of course, is what responsibility does the neighbour assume if he decides to go into cattle after the adjoining landowner built the new fence? This, of course, could be easily resolved by calling in the fence viewers to arbitrate the dispute if necessary so that the neighbour would pay one half of the construction costs. The owner building the original fence could be required to produce the invoices showing the cost of materials, with an added allowance for labour and any equipment utilized, and then a depreciation allowance could be deducted.

Ontario Hydro utilizes a similar formula if a customer has a three-phase hydro line built for his own needs and at some future date a neighbour requires service from the line or Ontario Hydro needs the line extended.

I believe the bill, in its amended form, should allay the fears of those farmers who have specialized and do not need a fence. The fence viewers, I am sure, will take all matters into consideration and apportion the costs to each owner accordingly.

There is an appeal procedure whereby an owner dissatisfied with the award may appeal to a judge of the small claims court for the territory division in which the land is located. The judge shall hear and determine the appeal and may set aside, alter or affirm the award, or correct any error. He may examine the parties and their witnesses on oath and he may inspect the premises and he may order payment of costs by the other party and fix the amount of the costs. The decision of the judge is final and the award as altered or affirmed shall be dealt with in all respect as it would have been if it had not been appealed.

[10:15]

The difficulty may be the appointment of fence viewers, as they will be given a great deal more responsibility when this act is passed than with the original act. Previously the fence viewers could only recommend after surveying the situation, and the municipal council could choose to ignore the recommendation or simply not follow through on the recommendations, which did nothing but frustrate the fence viewers and prolong the dispute between the adjoining land owners. This bill has far more teeth in it

and all the necessary ingredients to settle a dispute or at least to ensure that a fence will be built or repaired, even though the landowners may continue to disagree.

Under the proposed new act, the fence viewers will be able to divide responsibilities on a legal basis, which is the tradition in many municipalities. The viewers will also have the option of making one owner responsible for a greater portion of the fence than the other, but the amended section will not permit the viewers to make one owner responsible for the entire fence. Such decisions by the fence viewers will be dependent on the particular circumstances of the two owners involved in the dispute.

The purpose of clearly spelling out the viewers' options is to make the act more flexible in dealing with the wide variety of modern-day circumstances in both rural and urban areas.

Another concern on the part of landowners and farm organizations is the exemption of land owned by the corporation of a municipality or a local board within the meaning of the Municipal Affairs Act, and crown land or land owned by a crown agency. We intend to amend this section of the act binding on the crown in right of Ontario and on a crown agency within the meaning of the Crown Agency Act.

I understand from the member for Welland-Thorold (Mr. Swart) that he has a number of amendments he is going to be introducing. He suggested that he has sent these amendments to us—which he did; we had a look at the amendments and I'm going to tell him that many of the amendments we are not going to support. I'm also going to tell him that we had our amendments set down long before he ever thought of making any amendments.

Mr. Swart: Three weeks after.

Mr. Riddell: So he can't give us that nonsense that by sending amendments over to us he has in any way influenced our decision.

Mr. Roy: He thinks he's the only one who has an original idea.

Mr. Riddell: I can assure you, Mr. Speaker, that our amendments will no doubt be supported in whole by the New Democratic Party, but some of their amendments are redundant or are about matters adequately covered in the bill, and I am just going to tell them right now that there are many of their amendments we are not going to support, so they may just as well be prepared for that.

Mr. Swart: The federation of agriculture is in support of them.

Mr. Roy: If your amendments were as good as ours, we'd support all of them.

Mr. Swart: You'll do a flip-flop.

Mr. Riddell: We also intend to amend the act to make it apply to lands other than lands that constitute a public highway owned by a municipality and apply to lands owned by a local board within the meaning of the Municipal Affairs Act. We feel that what is fair for one is fair for the other, and if the crown or a municipality is going to compete with the private landowners in purchasing land, then they should be responsible for their fair portion of the fence. We feel we have an excellent amendment which will cover this, making the crown responsible for no more than 50 per cent of the fence. This, of course, applies to crown land that is patented; as far as unpatented land is concerned we left that alone for the time being.

Mr. Roy: A very sensible amendment.

Mr. Riddell: I know the minister has been made aware of the concern of many farmers about the fencing responsibilities of government and government agencies, and I know the government is reluctant to include lands of provincial and municipal governments as it believes that the potential cost burden to the taxpayers of making all such land subject to the act would be too heavy. I don't believe this to be the case, considering that lands that constitute a public highway will be exempt.

We are all aware, of course, that provincial legislation cannot be binding on the federal government and the land of the government of Canada and its agencies is therefore exempt. In addition, the fencing responsibilities of the national railway companies are set out in the Canada Railway Act.

All things considered, I think it is a good bill and I commend the minister for bringing it forward. In developing the legislation, I know the minister has not been able to incorporate every recommendation that was submitted by individuals and organizations. However, the bill does reflect the many agreements and compromises reached during the discussion and I believe it will receive very considerable support from interested residents, municipalities and associations.

I do hope the bill will be passed without further delay, as this is the time of year when farmers endeavour to construct or repair fences in order to retain the livestock which will be let out to pasture, and this will likely take place within the next week or two. It is a bill which is long overdue and I am pleased to see that it has just about reached fruition.

I thank you, Mr. Speaker, for allowing me this opportunity to express some comments on this great bill.

Mr. Isaacs: Of course I wholeheartedly support the comments made by my colleagues, the members for Welland-Thorold and Algoma. I am always amazed by the convoluted manner in which the members on my right seem to find a way of avoiding supporting some amendments which are incredibly sensible and incredibly straightforward proposed by the member for Welland-Thorold.

On the principle of the bill I am concerned first of all about the very simple matter of the title. It seems to me, through reading a number of other acts that relate to fences, and the identification of boundaries between property, that even in this act we generally refer to "fences"; in the Municipal Act we talk about "fences" or "division fences" or "boundary fences," and there are very few places, even in the act before us now, where we talk about a "line fence." I wonder how many members of the public, those who are going to be affected by legislation of this kind, realize what a line fence is.

Mr. Roy: He knows.

Mr. Ruston: What is it? Do you know?

Mr. Isaacs: I would have suggested to the parliamentary assistant and to the minister that while they were bringing this ancient and very well-intentioned act up to date, they might have considered very seriously bringing the title up to date so that the general public, the users of this legislation, would find it in simple language and find that it reflected their needs as well as much other legislation in the province.

On the matter of urban areas, I am very pleased that the parliamentary assistant mentioned he had consulted with representatives of urban municipalities. It is a pity, however, that consultation has led to the insertion into this act of the ability for a municipality to avoid completely its responsibility to provide the provisions of the act both to agricultural users and to occupants of residential land.

The problem the member for Welland-Thorold outlined, that of very large municipalities that contain both urban and rural portions, is one that has become increasingly common in this province with the introduction of regional government. In almost every one of those municipalities the urban portion is the controlling portion in terms of votes on the municipal council. It is a great pity the government, in introducing

this bill, didn't recognize that fact and recognize that provisions must be made both for urban residents and for rural residents in terms of the provision of fences, instead of allowing the municipality to annul completely the provisions of this act.

The intent of this act is an excellent one in that arbitration shall be applied in order to keep disputes out of the court. Without going on at great length, I think it a pity the government doesn't recognize that principle in many other acts, so that we have not only fence viewers—and that is another archaic term—but also arbitrators who are able to arbitrate disputes between neighbours whenever those arise and about whatever circumstances those arise.

Our court system, particularly our bylaw court system, is incredibly overloaded with neighbourhood disputes. I think that more acts of this kind would be a very great step forward in terms of solving these disputes in a mutually amicable way.

One last comment, Mr. Speaker. There is a provision in this act that the municipality shall have the right to fix the per diem payments made to the fence viewers. It is an excellent provision, one that is not being recognized by this government in many other areas and I would specifically draw to their attention the matter of fixing fees for applications to committees of adjustment, where the government has consistently not taken action that is being requested by municipalities.

I think we're in a situation where we need what almost amounts to a bill of rights for municipalities, so that instead of being bound by the incredibly complex provisions of the Municipal Act—and much other legislation where reference is always having to be made to an act to find out what rights a municipality has—if we could have a very clear and succinct statement from this government as to the powers of municipal government in Ontario, then we would be making a big step forward and be putting municipal government in the position many municipally elected officials would like to see when they talk about enshrining municipal government in the constitution.

That, to my mind, is not the way to go but I think the principle which underlies that is similar to the one which underlies this bill, as I've already mentioned, and one that the government would do very well to take to heart.

I will certainly be supporting the amendments that the member for Welland-Thorold proposes and I hope those members to my right will look at them very seriously and

recognize that the act will be a better act if they are approved.

Mr. Deputy Speaker: The honourable member for Grey. Does the honourable member have some lengthy remarks to make regarding this bill or can he complete them in two minutes?

Mr. McKessock: Mr. Speaker, I have been used to revising line fences in a hurry before, so I guess I'll try to finish in the two minutes that are left.

There are just a couple of points I want to make here. I am glad to see this bill coming in because in the past, if a neighbour wouldn't fix his fence, there was no way that one could really force him to and recover the costs. This legislation is going to allow you to fix the fence and put the costs on the municipality to collect on its taxes. I think this is good but I also think the bill would be better if the municipality paid the owner who constructed the fence immediately, rather than wait until it is collected on his taxes. This bill will allow a municipality to do that if they want to which would mean that as it stands right now, parts of Ontario would be giving the money directly to the farmer who built the fence, and in other areas he'd have to wait until the municipality collected it. I think it would be better if the bill were changed to allow them to collect it from the municipality right at the start.

I have received several complaints in my area where we have a lot of government-owned land, by Natural Resources, the Niagara Escarpment Commission, conservation authorities, et cetera. In this bill, they are going to be exempt. I certainly do not agree with this. A resolution has been sent to the provincial Treasurer (Mr. F. S. Miller) from Nottawasaga township to this effect. I have had a constituent from Euphrasia township who had problems with the Ministry of Natural Resources for not keeping up its half of the fence. I felt it was very bad to leave them out of the bill because, if government is going to compete with a private landowner, or a private farmer to buy land and become landowners, then it must accept the responsibility of being a landowner just as anyone else and there's no way that it should be exempt from the act. So, as has been stated, we will be making an amendment to the bill to bring in crown land and municipalities.

Mr. Deputy Speaker: Order, order. It is now 10:30 o'clock; perhaps the honourable member should adjourn the debate.

Mr. McKessock: Yes, Mr. Speaker. I would just like to say, as has been stated before, good fences do make good neighbours, and

good neighbours make good fences. If that is adhered to, we really don't have to consult this act at all.

[10:30]

Mr. Deputy Speaker: It is 10:30; does the House wish to continue further to complete second reading or not?

Some hon. members: Agreed.

Mr. Rotenberg: Mr. Speaker, I would like second reading to be completed tonight, especially in view of the fact that Reeve Darby of Tiny township, who is representing the Rural Ontario Municipal Association, is

here to watch this debate; I am sure he wants the second reading to be done.

A number of questions have been raised to which I would like to reply. If the members who raised them are satisfied, I will ask that second reading now be given. I will reply to all those questions when we reach committee of the whole, if that is acceptable to the House. Under those circumstances, Mr. Speaker, I would ask that the motion for second reading be now put.

Motion agreed to.

Ordered for committee of the whole House.

The House adjourned at 10:31 p.m.

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No. 54

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament

Friday, May 25, 1979

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

FRIDAY, MAY 25, 1979

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

FLOOD DAMAGE

Hon. Mr. Bernier: Mr. Speaker, last night I had the privilege of meeting the council of the township of Field and outlining our offer of support to re-establish community life in the flood-devastated area. As many members know, the village of Field is a settlement of more than 300 residents approximately 22 kilometres northwest of Sturgeon Falls. It was almost completely inundated when the Sturgeon River overflowed early this month and all 94 homes in the community had to be evacuated.

Following the Premier's (Mr. Davis) visit there at the height of the flood—

Mr. T. P. Reid: The water receded.

Hon. Mr. Bernier: —it was declared a disaster area and the province agreed to provide \$4 for each \$1 raised through public subscription. We've all been very gratified by the sympathetic response to the Field tragedy from across Canada, and particularly from communities like Cobalt which came through similar ordeals in the past.

In considering re-establishment of the community, the council of the township of Field took into account the vulnerable position of homes located on the flood plain of the Sturgeon River and decided it was preferable to relocate the townsite on higher ground rather than to develop extraordinary flood control works. They asked the government to help with the cost of flood-related services over the past month and for assistance with the relocation program. Last night on behalf of the government, I was able to reassure them of both.

On the first question my colleague, the Solicitor General (Mr. McMurtry), has undertaken to provide up to \$190,000 to the municipalities of Field, Springer and Caldwell townships and the town of Sturgeon Falls toward extra costs they face as a result of the flood. My colleague, the Minister of Housing (Mr. Bennett), is acquiring a number of mobile homes which will be located on

government-owned land at Sturgeon Falls for use as temporary housing for the displaced families which have not found accommodation elsewhere.

At the same time, my colleagues, the Minister of Intergovernmental Affairs (Mr. Wells) and the Minister of Housing, will help the township to acquire and develop a new townsite that it has selected above the flood plain and to provide enough serviced half-acre lots to handle the relocations.

Each home owner of residential property on the flood plain, which includes those in the village of Field as well as Crystal Falls and River Valley, will be given a new serviced lot in return for title to his present property, that is a lot-for-lot exchange. Where it is feasible or practical, they will be able to move their existing houses to their new lots at our expense. Where homes are damaged or unsuitable for relocation, we will purchase them at a fair market value, established before the flood, and the owners can rebuild on their lots in the new townsite or elsewhere.

In order to ensure that the victims of this misfortune are not further crippled in finding alternative housing, we plan special assistance for those with homes of lower-than-normal value. To do this, we will provide up to \$5,000 in special funding on top of the price of any house whose fair market value, determined by independent appraisers, is less than \$20,000. For example, the owner of a house valued at \$12,000 would receive the full amount to bring the price to \$17,000, while the owner of a house valued at \$18,000 would receive \$2,000 to reach the \$20,000 ceiling.

In order to facilitate this program and to minimize hardship and delay, the government has designated Herb Aiken, my assistant deputy minister for northeastern Ontario, as disaster relief co-ordinator to ensure that all the government's resources are readily accessible to the council and residents of Field.

As I said, I have already outlined our response to the council. Mr. Aiken will attend a meeting of residents on Saturday morning to respond to their concerns. At the same time, along with a number of my cabinet colleagues, I will meet here Tuesday with the

owners of the Field lumber company, Field Lumber (1956) Limited, to see how we can assist them to overcome the ravages of the floods on their operation, which is such an essential part of that community.

Finally, I would like to say a brief word about our admiration for the municipal officials in west Nipissing and the people of Field who have suffered this appalling misfortune with great fortitude, courage and foresight. What we are seeing from them is a marvellous demonstration of the human spirit. I think we in this House are honoured to be able to help them to face the future with confidence.

PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT BILL

Hon. Mr. Snow: Mr. Speaker, because of the importance of one of the amendments that I propose to introduce later today to the Public Transportation and Highway Improvement Act, I would like to outline it in some detail. This amendment will change the definition of "public transportation" to allow my ministry to provide subsidies for municipalities to provide transportation facilities for the physically handicapped.

As I mentioned last March, this program is slated to get under way on July 1. The necessary background material has been completed and is being distributed to all municipalities. As this is a new and innovative program, we expect it will take up to three years to mature. During that period, we expect between 60 and 80 municipalities to take advantage of the subsidy and start their own program.

The very real need for this type of service was recognized some time ago and, as a result, over the past two or three years we have been carrying out experimental services in Metro Toronto, Ottawa-Carleton, Sault Ste. Marie, Peterborough and Chatham. They have proven both the viability of the program and our choice of specialized mini-buses and vans as well as cars, which provide more immediate mobility than would be possible by modifying existing transit vehicles.

Because we want to enable municipalities to provide a service that is comparable to regular transit service, in spite of the substantially higher unit costs, we will be subsidizing them for 50 per cent of these costs, up to a limit rated on a per capita basis. To make this program as practical as possible, we are giving the municipalities the option of operating the service themselves or contracting it out. In addition, neither special donations to the service nor the value of volunteer services provided to the municipality will be used to diminish the province's

contribution. To ensure that all municipalities can avail themselves of this subsidy, financial assistance will also be available to municipalities which do not operate conventional transit services.

I believe this subsidy program will go a long way toward meeting the needs of the physically handicapped who are restricted in their choice of transportation and, consequently, their lifestyle. It will increase their opportunity for employment, while providing access to recreational and social activities that so many of us take for granted. We have received a number of very complimentary letters from organizations dealing with the physically disabled in appreciation of this move to improve the mobility of this segment of our population.

There is one other amendment in this act that I would also like to mention briefly. It gives the minister or the appropriate road authority more flexibility in using a variety of suitable reflectorized or illuminated signs where detours are in effect on construction and maintenance projects. This amendment will eliminate the requirement for closed road signs at simple detours, which confuse motorists and contribute to traffic congestion in construction zones.

NUCLEAR PLANT SAFETY

Hon. Mr. Auld: I would like to review, for the benefit of the honourable members, a number of issues which have been raised over the past few weeks concerning the defective boilers built by Babcock and Wilcox Canada Limited for the Pickering B nuclear generating station.

The issues raised appear to fall into the following categories:

First: What are the defects? How were they discovered? What measures are being taken to correct them and ensure they do not occur again?

Second: Why was Babcock and Wilcox chosen for this contract and how?

Third: Who is responsible for the cost of repairing the defects?

In order to put my subsequent comments in context, I should explain there are 12 boilers for each of Pickering B's four reactor units and 2,600 half-inch diameter, thin-walled tubes in each boiler. The length of the tubing in each boiler totals 26 miles, while the boilers are nearly 47 feet high and weigh 91½ tons.

In late 1978, Ontario Hydro began using a new technique for testing the tube bundles in the boilers of its nuclear reactors for micro defects. While using this new technique to test the recently installed boilers of reactor

unit five at Pickering B, Ontario Hydro personnel discovered a partial blockage of some of the tubes. Following this discovery, work was stopped in mid-December 1978 pending investigation of the cause of the blockage. At that time, 32 boilers had been delivered to Pickering B.

In order for Ontario Hydro and Babcock and Wilcox to thoroughly investigate the cause of the blockage, the boiler shell and half shroud were removed from boiler number 33 to expose the tube bundle. A number of boiler tubes were found to be damaged through distortion of some of the baffle plates. I should emphasize this damage occurred after the boilers were fully assembled. Careful inspection during assembly ensured no damage had taken place up to that point.

The final step in the manufacturing process is to remove, by heat treatment, the residual stresses in the heavy metal shell of the boiler resulting from welding.

Intensive study of boiler 33 which had undergone heat treatment and boiler 34 which had not, indicated the damage had occurred during this heat treatment and all of the 32 boilers already delivered to Pickering B were probably damaged in the same way. As a result of investigations it has conducted, Ontario Hydro is satisfied the tube defects were not present in the boilers at Pickering A and Bruce A.

Ontario Hydro advised Babcock and Wilcox on April 17 that under the terms of the contract the 32 boilers supplied for Pickering B were unacceptable, and agreed with the manufacturer's recommendation that they be returned to be rebuilt under shop conditions to meet the specifications. These specifications, of course, will have to be met on the remaining 16 boilers. Ontario Hydro has advised the Atomic Energy Control Board of the discovery of the defects and of the arrangements it has made with Babcock and Wilcox to correct the defects.

Ontario Hydro has set up a project team to work with Babcock and Wilcox to ensure the completion of all the boilers as quickly as possible. This team, among other responsibilities, will perform manufacturing surveillance activities at Babcock and Wilcox's plant, will ensure priorities are established for all work being performed by Babcock and Wilcox for Ontario Hydro and will provide progress reports at regular intervals.

Let me now turn to the second category of issues, namely: Why was Babcock and Wilcox chosen for this contract, and how?

Babcock and Wilcox originally won the contracts to build the boilers for Pickering A and Bruce A in competitive tenders, in

1965 and 1970 respectively. For reasons of economy, efficiency and operating standardization, the boilers for Pickering B, which are virtually duplicates of those for Pickering A, were ordered from Babcock and Wilcox without competitive tenders in 1974.

[10:15]

The honourable Leader of the Opposition (Mr. S. Smith) asked yesterday whether Montreal Locomotive Works of Quebec, for instance, was also capable of making the Pickering B boilers. In reply I am informed that at the time that orders for these boilers were being placed in 1973 and 1974, Babcock and Wilcox was the only company in Canada which had the necessary manufacturing facilities in place to construct and manufacture this type of boiler. Other companies were, of course, interested but would have had to significantly upgrade their facilities.

Mr. Speaker, with respect to whether a performance bond should have been required, I am advised that it is not the normal practice in the industry to require a performance bond from companies which build this type of sophisticated equipment, unlike the normal practice in the construction industry where a performance bond is required from the contractor. Ontario Hydro has a prequalification system to review the companies it deals with to ensure that they have resources and capability to meet Ontario Hydro's requirements satisfactorily.

Babcock and Wilcox is a reputable boiler supplier and has been supplying this type of equipment to Ontario Hydro, Atomic Energy of Canada Limited and others for many years.

I would now like to turn to the third category of issues, namely, who is responsible for the cost of repairs?

Ontario Hydro's position is that the boilers supplied by Babcock and Wilcox to date are unacceptable and that the cost of repairing the defects in the boilers is the responsibility of Babcock and Wilcox. As I understand it, Babcock and Wilcox's position is that the responsibility for the defects in the boilers does not lie solely with them and that, as a result, they should not be solely responsible for the cost of repairing the defects. Clearly, this is a complex and difficult legal question which will require considerable discussion before it is ultimately resolved.

Discussions are currently under way between senior officials from Ontario Hydro and Babcock and Wilcox to determine the extent of the damage to the boilers and the liabilities and responsibilities of the parties. In view of the complexity of the questions involved, it

would be inappropriate for me to comment further. I will, of course, inform the House when negotiations are complete.

The Leader of the Opposition has requested that Ontario Hydro's contract with Babcock and Wilcox be tabled in this Legislature. In general, I am in full agreement with tabling any documents other than those relating to cabinet and personnel matters. In fact, Ontario Hydro's commercial contracts have been tabled in the past, including the Denison, Preston and Gulf Minerals uranium contracts.

However, as a matter of general practice one has to balance off the public's right to know with the commercial confidential nature of such contracts and the potential adverse effects which could result for Hydro and the electrical consumers of this province if the details of commercial contracts are available to its other suppliers on an indiscriminate basis.

It would seem to me that there is a larger issue which must be addressed first. Namely, should commercial contracts entered into by Ontario Hydro be freely available to any individual? That kind of question, in so far as it relates to a public corporation, is best addressed within the context of the terms of reference of the Royal Commission on the Freedom of Information and Individual Privacy. I trust that the honourable member will agree with me that it is important for this basic principle to be established first so that the interests of the electrical consumers of this province are not inadvertently jeopardized.

In the meantime, I have asked Ontario Hydro to make the contract available to the select committee on Ontario Hydro affairs on the same basis as it is making available information on nuclear reactor safety. The contract will be delivered to the counsel to the select committee early next week.

ORAL QUESTIONS

NUCLEAR PLANT SAFETY

Mr. S. Smith: Mr. Speaker, I would like to direct a question to the Minister of Energy on the statement that he has just made. There are really three areas that I wish to take up with him; other members may wish to take up other matters, of course. The three areas are the failure to call tenders; the question of who will pay now that the boilers are defective; and, whether the contracts should be tabled in the House.

Perhaps I could start by asking about the failure to call tenders. The minister suggests that Babcock and Wilcox was the only company in Canada which had the necessary

facilities in 1973 and 1974 and that's why the arrangements were made without any tender being offered. How, in fact, does that seem justified in the minister's mind? Surely if there were other companies that had a willingness to bid they would have bid and then built the facilities and presumably that would have been reflected in the costs they would have demanded in their bid. How does such a practice end up justified in the minister's mind? Why did the matter not go to tender so that MLW, Foster-Wheeler or anybody else who wished to bid would at least have an opportunity to do so?

Hon. Mr. Auld: I think there were perhaps three reasons Hydro decided to pursue the route it did. One was the desire for standardization. As I mentioned in the statement, the design is the same as the design of the boilers in the other reactors at both Pickering and Bruce. Standardization was necessary for the maintenance and convenience of spare parts and that sort of thing. There was an advantage to Hydro in having the same unit.

Second, as I indicated in the statement, I am informed that the other companies were not in a position to manufacture immediately. It might have taken them some time to tool up to meet the specifications.

Mr. S. Smith: Then they would not have bid.

Hon. Mr. Auld: Not necessarily.

Third, Hydro was very satisfied with the performance of these boilers. They had been in touch with Atomic Energy of Canada Limited—

Mr. J. Reed: In the United States they only operated at 88 per cent.

Hon. Mr. Auld:—who had purchased some further boilers a short time before and were able to negotiate a price based on the price that Atomic Energy of Canada had paid, as I understand it, for some similar boilers. They had taken a look at the consumer price index so that they were satisfied they were getting a good price.

Mr. S. Smith: Just by way of supplementary to finish off with this one: If the other companies were in no position to manufacture it, they would not have bid, also, if their price was too high, it could have been rejected and if their standards were not good enough, it could have been rejected. It is still no excuse for not putting the matter out to tender.

But I want to ask who will pay, now that there turns out to be a very serious defect? I gather no bond was required of the company. But will the minister address himself to the comments of Mr. Morison of Hydro

and the article by Mr. Makin in the *Globe and Mail*? Would he also comment on reports I have heard from within Hydro that Hydro has decided that if it had to make Babcock and Wilcox pay, that might bankrupt the company and therefore Hydro is not going to go after Babcock and Wilcox for the full cost of this defective boiler matter?

Under these circumstances, why was there not a bond? What good is a guarantee if chasing them for the money is likely to bankrupt them?

Hon. Mr. Davis: The bonding company was going bankrupt at that time. Ask some of your legal friends.

Hon. Mr. Auld: I addressed the question of who is going to pay in the statement. As far as Hydro is concerned, its position is that the boilers must meet the specifications and I don't think I should comment any further. This matter will be discussed at some length. I think what I have said really is all I can say at this point.

As far as a performance bond is concerned, that is exactly what it is. I am informed it is most unusual for this kind of equipment to be covered by a performance bond. As the Leader of the Opposition I am sure is aware, a performance bond is just that. If the contractor is not able to carry out his contract, the bonding company then hires somebody else to do it. When one is using proprietary equipment such as this boiler, nobody else could complete it except Babcock and Wilcox, so the point of having a performance bond really wouldn't apply.

Mr. MacDonald: Supplementary: The minister states that Babcock and Wilcox was, in Hydro's view, the only company that was in the position to build these particular boilers. How does the minister reconcile that contention with the fact that the orders were placed in 1973-74 and the boilers weren't built until, I think, the calendar year of 1978, perhaps beginning in 1977? This would leave a three-year period in which any other competitor could have tooled up and dealt with it. What's the minister's comment on the apparent anomaly there?

Hon. Mr. Auld: It is simply what I said in the statement. The information I have from Hydro is that that was the position. But, as I said, there were two other considerations. I think the consideration of standardization was a very important one as far as Hydro was concerned.

Mr. Nixon: Supplementary: Can the minister confirm to the House that the Atomic Energy Control Board had a capability study done, referring especially, to the Babcock

and Wilcox company in Canada? Can he tell us what that capability study informed the control board and Ontario Hydro about this situation, and will he table the study so that the members of the Legislature can see what the control board knew about this matter?

Hon. Mr. Auld: I am not aware that the Atomic Energy Control Board did a study of Babcock and Wilcox. I will inquire about that.

Mr. Nixon: You were going to do that three weeks ago.

Mr. S. Smith: That is right. You were asked the same question three weeks ago.

Hon. Mr. Auld: I have lost it along with all the other questions. I will get to the bottom of it.

Mr. M. Davidson: Supplementary: On page seven of the minister's statement, it indicates that the Babcock and Wilcox position is that the responsibility for defects in the boilers does not lie solely with them. The minister will recall that some two or three weeks ago I asked him if he would look into the suggestion that perhaps the reason for change in the method of treatment was as a result of Ontario Hydro or the Atomic Energy Control Board specifying that this change should be made to Babcock and Wilcox. Has he looked into that as yet?

Hon. Mr. Auld: As I said, there are discussions going on between the two principals. I really don't feel that I should comment any further. As I am sure the honourable member is aware, it is quite possible that this whole matter might wind up in court. I don't think either side is making any statements other than what I just mentioned in my statement.

Mr. S. Smith: I have a final supplementary which has to do with the tabling of the contract. We are not asking for the indiscriminate tabling of all the commercial contracts of Hydro at the moment. What we are asking for is this particular contract inasmuch as it might appear that the people of Ontario, the consumers of electricity, are possibly going to be on the hook for tens of millions of dollars for manufacturing defects.

Under these circumstances, surely if the minister is willing to send the contract to the select committee, he should be willing to table it here in the House so that we can see whether the American parent company of Babcock and Wilcox is in any way on the hook for this, and is standing behind them and so that we can see whether there were any matters in the contract which Bab-

cock and Wilcox can use in order to get out of its responsibilities and what kind of a business-like job was done by Hydro.

It would appear that we have a situation here in which the public interest has not been properly protected. I would ask the minister, therefore, to table the contract in the Legislature as well as in the select committee.

Hon. Mr. Auld: I think I indicated fairly clearly the reason for the approach I am suggesting. I have spoken to the chairman of the select committee this morning. He tells me that the committee is meeting next Wednesday and the steering committee will probably be looking at the contract. All parties are represented on that committee. I would think that any questions that the Leader of the Opposition or others have could be conveyed to the members of their party on the committee. But I think it is really quite a dilemma because of commercial confidentiality, particularly when this discussion is going on as to the degree of responsibility of any of the two principals as to the cost of repair, to have Hydro attempting to be negotiating in a fish bowl. There is the possibility of court action.

Mr. S. Smith: The courts will see the documents. Why can't we?

Hon. Mr. Auld: In the event it did get to court, I am sure that would happen.

[10:30]

EMPLOYMENT DEVELOPMENT FUND GRANTS

Mr. S. Smith: I would like to direct a question to the Minister of Industry and Tourism. Seeing he seems determined to go ahead and give away millions of dollars of public money to prosperous corporations, and knowing he wishes to reduce the amount of paperwork and difficulty these businesses encounter, and recognizing as well, there are no rules, regulations or legislation for the Employment Development Fund, I have prepared for him and wonder if he would consider using, an application form firms could use. I will read from it; it is very easy. They just have to fill in the blanks and tick it off.

Would he consider using the following application form which says, for instance: "Recently, I sent my wife, secretary, assistant or other; to A, B, C"—Tennessee, Georgia, Florida or wherever—"where, considering labour costs, land prices, taxes and so on, it would be a certain number of dollars cheaper"? There is even a place to include the cigarette box used for the calculations.

Mr. Deputy Speaker: Perhaps the honourable member would state the question.

Mr. S. Smith: Would he consider using this as a paperwork saving device for the Employment Development Fund?

Mr. MacDonald: That is an abuse of the question period.

Hon. Mr. Grossman: I will tell the Leader of the Opposition that I will, in fact, use this document. I will use this document to show the unemployed people throughout this province just how seriously the Leader of the Opposition takes the unemployment situation in this province.

I will take this document to those firms who spend one day a week meeting very seriously with those who are trying to attract people like Tridon out of this province. I will show them how seriously the Leader of the Opposition in this province takes the matter of keeping those firms here, while the next day they are meeting with senior government officials, governors and all the rest, who are prepared to offer them much more serious and more meaningful incentives than we are prepared to offer.

Happily, in this province we still have a good enough investment climate, notwithstanding this sort of garbage, that we don't have to meet, in most cases, the full differential between investing in places like Tennessee and Ohio versus the cost in Ontario. They still want to invest in Ontario, but in the face of the serious incentives being offered by the United States—not this sort of garbage—we must meet that competition.

I am happy to have this document. The Leader of the Opposition will be hearing a lot about it in places represented by his colleagues behind him.

Mr. S. Smith: Does the minister not understand that a fund set up without rules, without regulations, without criteria, without legislation supporting it, can only lead to every manager in Ontario standing on the steps of Queen's Park with his hand out, requesting money for his prosperous corporation?

Does he not understand that when he starts giving away money of this kind to the large corporations in Ontario, the very next request will be for shares and control in those corporations? Does he not understand the free enterprise system will, in fact, find itself undermined by this particular method?

When he is giving money to his competitor to expand here, how is he going to tell the owner of a plant that is now in Ontario he won't give him money just to stay in Ontario when he threatens to pick up and leave? He will end up having to bribe every prosperous company to stay in Ontario.

Mr. Deputy Speaker: Order. The question has been asked.

Hon. Mr. Grossman: Firstly, I must say I find the total inconsistency of the Leader of the Opposition astonishing. It was almost exactly a year ago that the Leader of the Opposition rose in this Legislature and said, "Never mind the federal government, if you have to pay another \$17.5 million, keep throwing the money at them because we need that plant for Ontario."

Mr. S. Smith: We accepted Ford. Don't give us Ford again since we accepted that one, because you were playing anti-Quebec politics with that.

Hon. Mr. Grossman: I will tell the Leader of the Opposition what has happened since last year. Last year, he was convinced he could take that position because we wouldn't get the plant; then after we got that plant and won the competition, he began to get frightened and said, "My Lord, the Tories may succeed in using this money and attracting all those jobs to this province, so I better reverse my position and take the other tack."

Mr. S. Smith: Tell the truth.

Hon. Mr. Grossman: That is what he is doing.

Let me tell the member I have two of the best civil servants in this province dealing with the applications that come to the fund. They don't put out garbage like this; they don't play games with them; and they don't ask about secretaries and the cost of cigarettes in Tennessee as members opposite might ask. They don't pretend that the only way to help firms is by hiding it under loans, as they would have it. They don't pretend that the most effective way to help firms is to do it by guarantees as they would have it.

Interjections.

Mr. Nixon: You get your money back for the province with a loan.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: What they do is to operate—

Mr. S. Smith: You get paid back the loan.

Hon. Mr. Grossman: We will get every cent of the Ford deal back in two and a half years—every single cent of it. The loans the member is talking about we will get back in five or 10 years.

Interjections.

Mr. S. Smith: From their shareholders?

Hon. Mr. Grossman: I have to tell the member I am not going to war with an incomplete arsenal. I am not about to say, "I'm sorry, all I'm allowed to do in this

province is to guarantee some money for you at a bank." I'm not prepared to do that. If I had been able to do only that in Windsor, the Ford V-6 engine plant would be in the United States. The Leader of the Opposition had better remember that, because one day I will take him into my office and if his colleagues won't show him the letters they have written me, if his colleagues won't tell him the phone calls they have made to me asking for some Employment Development Fund money in their ridings, I will show him the requests they have made.

Mr. Cassidy: Supplementary, Mr. Speaker: Before the House becomes overwhelmed with rhetoric from both sides on this particular question, I want to ask, what benefits has Canada achieved which we would not otherwise have had from having this kind of grant, including the need for equity? I would like to ask specifically, in the case of HSA Reactors Limited, what is the commitment to maintain domestic ownership made by that company, and what guarantee does Ontario have that that commitment will in fact be maintained? How has the minister ensured that?

Hon. Mr. Grossman: We have entered into an agreement with HSA whereby the company has agreed that any manufacturing plant that is set up as a result of this support we are giving for Canadian-based research and development will, in fact, be established in this province. I think that is exactly the sort of thing I hear politicians talk about all the time, maintaining research and development, not allowing that to be purchased, bought off, or stolen by other jurisdictions. I should tell you that in this case HSA has received a very substantial offer from Americans to provide them with direct equity, which would mean that not only would the manufacturing plant go to the United States but all the technology which has been developed in this province would go to the United States.

Hon. Mr. Davis: And you people would let it go.

Hon. Mr. Grossman: I just don't think it is appropriate to let that happen. Therefore, we have guaranteed money at the bank, we have not laid out a cent. In exchange we have got an explicit and clear guarantee that any manufacturing operation set up will be maintained in this province. Further, we have obtained from them an undertaking that there will not be a transfer or sale of the shares of that company from the Canadian owners to non-Canadians.

Mr. Peterson: Supplementary: Recognizing that the need for the Employment Development Fund is because of the failure of programs of the past, and because of the precarious position we are in today, when is the minister going to start addressing the fundamental questions—such as, for example, the promised program for apprenticeship—that were in the budget and promised by various ministers? We have yet to hear anything about them.

We have repeatedly heard about the failures of the government with respect to job training in this province. When are we going to hear something about the fundamental problems? And about research grants to Ontario Research Foundation, for example, et cetera? When is the government going to start working on the fundamentals, rather than just trying to buy off a few people for a short-term gain?

Hon. Mr. Grossman: Of course, the member ignores the fact that in this year alone we have increased our grant to the Ontario Research Foundation fairly substantially.

Mr. Peterson: No, you haven't.

Mr. Ruston: More slush funds like the Wintario grants.

Hon. Mr. Grossman: Of course, I have. The member wasn't in the House the day I made the statement. There was \$400,000 more this year to ORF.

I know the member's leader likes to trot around talking about the amount of support we give to the Ontario Research Foundation. What he neglects, or what his researchers neglect, is the fact that the funding for the Ontario Research Foundation in this province, when compared with that in other provinces, is totally different. There are different funding mechanisms for research foundations throughout this country and therefore any province-by-province comparison is foolish.

Secondly, the member, as the Treasury critic, and succeeding Marvin Shore in his party as the chief economic expert—

Mr. Breithaupt: And in the minister's party as well.

Hon. Mr. Grossman: —stood up this morning and is totally unaware of the fact that we've increased our ORF grant this year by some \$400,000. So before he talks about anyone else not having comprehensive policies, not understanding where we're going on an economic basis, he should do his homework first.

Interjections.

Mr. Deputy Speaker: Order. In view of the fact that the supplementaries have strayed considerably from the original ques-

tion—which was: "Would the minister consider using an application form?"—I'll have the first question from the member for Ottawa Centre.

APPRENTICESHIP PROGRAMS

Mr. Cassidy: Mr. Speaker, I have another question, which arises out of yesterday's announcement, to the Minister of Education. Can the minister say, in the case of Tridon Limited, of TRW Canada Limited, HSA Reactors Limited and Dominion Twist Drill Limited what commitments have been made by those companies for training and upgrading the skills of their existing employees and of the employees that they intend to hire with the Employment Development Fund grants? Will the minister say specifically how many apprenticeship places have these companies agreed to as a result of getting the grants?

Hon. Miss Stephenson: Mr. Speaker, I cannot give that information since I do not know the exact content of the documents which have been signed. It is my understanding that a part of the requirement for such support is, indeed, the establishment of appropriate numbers of apprenticeship places or employer-sponsored or upgrading places within that institution.

Mr. Cassidy: A supplementary: Since one of the aims of the Employment Development Fund was to foster the development of needed job skills, was the Ministry of Education, and the apprenticeship branch in particular, involved in any way in the negotiations since some of the companies involved had next to no apprenticeships under way right now?

Hon. Miss Stephenson: Mr. Speaker, in the direct negotiations with companies I do not think there was any such involvement, but I think that question should be directed to my colleague, the Minister of Industry and Tourism, who was directly involved in it and who has been listening carefully to what I have said.

Mr. Cassidy: I'll redirect the question to the Minister of Industry and Tourism then and ask him to reply.

Hon. Mr. Grossman: I want to assure the House that there is a constant mechanism developed with the Ministry of Labour—soon to be the Ministry of Labour and Manpower—to co-ordinate these matters. They are brought in for consultation with us whenever we are in any situation which obviously involves the need for more skilled workers. In both the case of Tridon and of TRW they have agreed in writing to employ and train in Ontario

the required skill levels as set out in part of our agreement, so in both cases they have undertaken to train the necessary workers for those operations.

Mr. Cassidy: Can the minister say how many in each case will the companies train, and will he table the agreements that have been made about the development of skills which are involved with each of these grants?

Hon. Mr. Grossman: I will be happy to give the member all that information, the exact numbers and, if not the agreements, the essence of the agreements.

Mr. Peterson: A supplementary: Did the minister just answer that—I didn't hear it, I'm sorry—he was prepared to table in this House the documents of agreement with all recipients of grants under the Employment Development Fund? If he did say that, I'm sorry for repeating. If he didn't, would he let us scrutinize the documents on all recipients of the fund?

Hon. Mr. Grossman: We're just looking at the documents, which have just recently been developed with our solicitors, but I can assure the House that, obviously, there is some concern with regard to the contents of some of them—

[10:45]

Mr. Bolan: Are you leaving to grease somebody else's pockets now?

Hon. Mr. Grossman: —in terms of confidential information filed with us, and of the companies. However, I can assure the member we will either table the agreements or table all the essential parts of the agreements; for example, the undertakings we've received from the firms.

ALCOHOLISM TREATMENT

Mr. Cassidy: Mr. Speaker, I have a question to the Provincial Secretary for Social Development, responsible for the ministries of Health and of Community and Social Services. Is the minister aware there are four halfway houses for alcoholics in downtown Ottawa whose future service is in jeopardy because of the policy of the government that services for people suffering from alcoholism are of low priority? Specifically, can the minister explain why permanent funding for these halfway houses is being denied when two of them have had grants in aid from the Ministry of Health—in one case for as long as four years?

Hon. Mrs. Birch: Mr. Speaker, I think that question more rightfully should be directed to the Minister of Health. Are these detox centres?

Hon. Mr. Timbrell: Halfway houses.

Interjections.

Hon. Mrs. Birch: I don't have that information on specific programs within the Ministry of Community and Social Services, but I'll make sure the honourable member receives that information on Monday.

Mr. Warner: What a disaster show over there.

Mr. Cassidy: Supplementary: Is the minister aware that effective October of last year the Ministry of Community and Social Services decided not to fund any more halfway houses for alcoholics and to give low priority to treatment for alcoholics in its programs? Can the minister say what, in the opinion of the government, whether through the Ministry of Health or the Ministry of Community and Social Services, is to be done for people who are suffering from alcoholism and who are on waiting lists for halfway houses in order to get treatment and are being turned away because of the policies of this government?

Hon. Mrs. Birch: I think this government has provided many opportunities for people with those particular problems—

Mr. Cooke: Be specific. Let's hear about it.

Hon. Mrs. Birch: —to get help in the treatment centres that are available across this province. I am not aware of the particular halfway houses the member refers to but, as I suggested, I will have that information for him on Monday.

Mr. Nixon: Supplementary: Would the minister not consider that in her supervisory capacity she should see that the government policy announced a year ago for the removal of advertising pressures, particularly for the consumption of beer, is implemented? Just because the minister in that particular area which controls the policy of the Liquor Licence Board of Ontario and the Liquor Control Board of Ontario has changed, shouldn't her policy direction be paramount so the original announcement for the control, if not the removal, of lifestyle beer advertising be implemented?

Hon. Mrs. Birch: I don't think that is a supplementary to the original question that was asked.

Hon. Mr. Bennett: You're darn right it isn't. No relationship.

Interjections.

Hon. Mrs. Birch: The Speaker knows it. He's very well aware that is not a supplementary question.

Mr. Nixon: The Attorney General (Mr. McMurtry) didn't refer to it yesterday when

he said he was cracking down on drinking drivers.

Mr. Deputy Speaker: Order. Order.

Mr. Nixon: He's not doing anything about the advertising.

Mr. Bolan: He doesn't get any headlines out of it, that's why

Hon. Mrs. Birch: I think that question should be directed to the Minister of Consumer and Commercial Relations (Mr. Drea).

Interjections.

Mr. Cassidy: Supplementary: Since the minister says she thinks services for alcoholics in the province are at an adequate level right now, is she aware there are only 25 beds for female alcoholics in halfway houses across the province? Is she also aware that in the case of Ottawa, the Amethyst women's treatment centre has been told it can have a grant in aid but not have permanent funding? Does she believe only 25 places across the province is an adequate response to the growing problem—a difficult problem—of alcoholism among women?

Hon. Mrs. Birch: Again, I don't think I indicated I thought we had an adequate number of beds available for treatment of alcoholics. I think we are very much aware that it is a tremendous, growing concern and we're attempting to meet the need.

Mr. Swart: By cutting back?

Hon. Mrs. Birch: I'm not aware of the specific problems the member refers to in the Ottawa area. Again, I indicated I will have that information brought up to date on Monday.

PHYSICIANS OPTING OUT OF OHIP

Mr. Bradley: I have a question for the Minister of Health: In view of the fact the Minister of Health indicated to the House there would be co-operation with those who wanted to know which doctors were opted in and opted out of OHIP, would the minister indicate to the House whether it is the policy of OHIP to provide to such groups as labour unions, lists of doctors within a specific area in the province who have opted out of the Ontario Health Insurance Plan in order that they in turn may inform their membership so that people within the membership may choose doctors based on the fees they are going to charge?

Hon. Mr. Timbrell: Mr. Speaker, what I indicated in my statement on March 29 was that the Ontario Medical Association, through its head office and affiliate offices around the province, would provide assistance to mem-

bers of the public if they wanted to find a new physician or an opted-in physician. At the time, they publicized their Zenith line, and all the reports I have had are that that is being used and is being of help to the people. We do not publish lists as such, no.

Mr. Bradley: A supplementary: In view of the fact that, in the April edition of the Local 199 UAW News, one of the officials of the union indicated that a phone call to the Ontario Medical Association yielded similar results to a phone call to the Hamilton district office of OHIP—and he said that the OHIP office in Hamilton had been instructed not to assist—would the minister not agree, since this information does not seem to be readily available to people such as those in the labour union movement who are concerned about it, that OHIP should co-operate in providing this list so that the public of Ontario can be aware of which doctors are opted in and opted out and can make a sensible choice?

Hon. Mr. Timbrell: I think it is best looked after on an individual basis. Where an individual moves into an area and wants to find a new physician or an opted-in physician, when he calls the medical association he is given names of doctors in that area who are available and who are opted in. That seems to work well, and I think it is best left that way.

Mr. Cassidy: A supplementary question, Mr. Speaker: Since the minister has now admitted that there is no legal opinion to justify his refusal to give that information, would he not now be prepared to allow public-spirited groups like the UAW, local municipalities or citizens groups to get information from the plan itself about the doctors opted in and opted out of OHIP so that they in turn can assist citizens to find out how to get an opted-in doctor?

Hon. Mr. Timbrell: First of all, Mr. Speaker, the answer I gave the honourable member to the Notice Paper question was that at the time I did not have a written legal opinion. So I would ask him please not to try to distort that, purposely or not. I just want the record to be clear.

Mr. Cassidy: On a point of privilege, Mr. Speaker: I said specifically that the minister had had no legal opinion to justify his refusal. He should not seek to twist words, as he has just done in this House.

Hon. Mr. Timbrell: After watching the honourable member for eight years, he is a past master when it comes to twisting words.

The answer to him would be the same as that which I gave the member for St. Catharines. The strength of our health-care system is the relationship between patient and doctor, and it works well in the interest of the public. As regards this particular question, it is best worked out on an individual basis, rather than by some kind of pillorying, which the honourable member would prefer.

DISASTER RELIEF ASSISTANCE

Mr. Wildman: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. Can the minister indicate whether his ministry and the cabinet have yet been able to assess the situation in White River, and can he give any indication whether the government is prepared to make a statement that it will extend the same kind of assistance to White River as it has to other areas that have experienced flooding in the north-east?

Hon. Mr. Wells: Mr. Speaker, the cabinet has looked at, but has not made any determination on, that matter; I expect it will at next week's cabinet meeting. I see no reason why White River cannot be included.

PROVINCIAL PARKS

Mr. Conway: Mr. Speaker, in the absence of the Minister of Natural Resources, I will direct my question to the Provincial Secretary for Resources Development. Is the minister aware that in the past long weekend, Algonquin Provincial Park experienced yet another sharp, serious decline in visitorship? And is the minister aware this sharp, serious decline comes upon a series of sharp declines over the past three years?

An hon. member: He is now.

Hon. Mr. Brunelle: On the decline in business in the past weekend in Algonquin Park, I don't know what the weather was like in the member's area, but in my area it was lousy. There was a decline in the tourist business all over northern Ontario.

Mr. T. P. Reid: What are you going to do about the weather?

Interjections.

Mr. Deputy Speaker: Order. Would the members allow the member for Renfrew North to ask a short supplementary?

Mr. Conway: Supplementary, Mr. Speaker: Given the fact that the weather in the Algonquin Park area was excellent; and given the fact that the local population is increasingly concerned that it is not the weather but rather the import of much of the Algonquin Park master plan which is threatening to

render such communities as Whitney in the words of a local press account a ghost town, can the minister assure this House his government will undertake a very serious review, as proposed by the Algonquin Park master plan review, of those serious economic implications which those new planning guidelines are having on such otherwise depressed communities as Whitney? Can he assure this House that review will be undertaken as quickly as possible and that any changes or corrections that are required will be introduced at the earliest opportunity so that—

Mr. Deputy Speaker: The question has been asked.

Mr. Conway:—so that such communities as Whitney will not be facing the kind of bleak and serious economic future which seems to be theirs as the result of, in some cases, unwise planning by that—

Mr. Deputy Speaker: Order. The question has been asked several times.

Hon. Mr. Brunelle: Mr. Speaker, we would be pleased to consider any constructive suggestion to improve the economic climate.

Mr. Wildman: Supplementary, Mr. Speaker: Would the minister be willing to reconsider the government's increase in park fees which led to an overall decline of 11 per cent last year and seems to be continuing this year as well?

Hon. Mr. Brunelle: There's no thought at this time to make any changes in the prices.

HIGHWAY SAFETY

Mr. Young: The question is for the Minister of Transportation and Communications. Following up the minister's statement of last week and the Solicitor General's (Mr. McMurtry) statement of yesterday, in view of the increasing number of smaller cars of a high vulnerability in big-car/small-car crashes, will the minister seriously recommend to the new and perhaps more friendly Minister of Transport in Ottawa that we follow the United States plan and have front-seat passive restraints phased into our cars over the three years beginning in 1981? And will he, in co-operation with the Attorney General (Mr. McMurtry) and perhaps the Minister of Consumer and Commercial Relations, move to ban and counteract the flood of lifestyle ads designed to increase consumption of alcohol among the 16- to 24-year-olds among whom about 40 per cent of the road accidents and deaths occur?

Hon. Mr. Snow: I certainly will be prepared to discuss—and I'm looking forward very much to discussing—many matters re-

lating to automobile safety with the new Minister of Transport in Ottawa, whoever he or she may be, within the next few days.

Mr. Nixon: Maybe before the election.

Mr. Breithaupt: Whoever she may be.

Mr. T. P. Reid: It may be an it.

Hon. Mr. Snow: I would have to say that I am looking forward to a great deal more co-operation from that office than we've had in the last four years.

Mr. Conway: How do you like Otto Jelinek now?

Hon. Mr. Snow: I sure like him a lot better than Otto Lang anyway; that's for sure.

Mr. Deputy Speaker: Order. Order.

[11:00]

Hon. Mr. Snow: I am looking forward, Mr. Speaker, to a new federal Minister of Transport who will be in favour of transportation instead of doing everything possible, as the previous one did in the last four years, to be against it.

Mr. Philip: Now that he's out, answer the question.

Mr. Warner: Answer the question. You have nobody left to blame.

Mr. Deputy Speaker: Order. It appears that the members don't want to hear the answer. If the honourable minister has anything further, he may add it. If not, I will call for a new question.

Mr. Nixon: Let's have a couple of supplementaries.

Hon. Mr. Davis: A lot of leading questions over there.

Hon. Mr. Snow: Anyway, Mr. Speaker, I certainly will be discussing those items with the federal minister.

With regard to the other part of the comments relating to advertising, I believe the honourable member should put those questions to the ministers responsible for those areas.

Mr. Young: Supplementary: In view of the fact that at least a third, and perhaps more, of our people are not using seat belts at the present time—and I compliment the Solicitor General on his better enforcement in the future, we hope—and the fact that the smaller cars become increasingly dangerous in collision situations, is it not his opinion that passive restraints, such as we are going to have in the United States but which are not here yet, become very vital as a lifesaving feature in our whole safety program?

Hon. Mr. Snow: Mr. Speaker, I presume the honourable member is referring to a

passive restraint as being either automatic seat belts or the air bag, and I think we have—

Hon. Mr. Davis: You people know all about air bags over there.

Mr. T. P. Reid: One of the biggest is speaking right now.

Hon. Mr. Snow: Mr. Speaker, I am certainly very much in favour of further research and development of passive seat belts. I have some concerns personally regarding the automatic air bags, but possibly that's because of my experience in this House with some automatic air bags.

Mr. Nixon: Supplementary: With respect, Mr. Speaker, I would like to pursue as a supplementary the minister's comment about lifestyle advertising. Does he not recall the statement made as a matter of cabinet policy that lifestyle advertising was going to be controlled and reduced so that young people particularly were not going to be subjected to the kind of advertising pressure that would lead them to the use of alcohol before or during the time when they are driving cars?

Is he not further aware that his colleague, the Attorney General, in his statement yesterday indicated there was going to be a crack-down on drinking drivers and that one of the obvious ways that this can be made effective, instead of hiring more "eyes in the sky," would be to control the advertising that has become such an important part in moving our young people to excessive drinking?

Hon. Mr. Snow: Mr. Speaker, I don't recall ever making such—

Mr. Nixon: Your policy has flipped right over.

Hon. Mr. Snow: I was just going to say, Mr. Speaker, if I can try to remember if there was a question in there. No, I do not recall ever making that statement.

Mr. Eakins: Let's hear you make it now. Let's hear your opinion.

Hon. Mr. Snow: Personally, I may agree very much with the statement that the honourable member just made, but I never made that statement.

AMBULANCE SERVICES

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Health. In the light of his response of April 9 to a question on ambulance services in which he invited specific documentation of any incidents which caused concern, will the minister investigate the allegations contained in this brief, which does, in fact, list many specifics?

Hon. Mr. Timbrell: Mr. Speaker, during my most recent visit to London I had occasion to speak on the telephone from one of the radio stations with a representative of the local ambulance attendants association and indicated to him that if they would be specific any complaint would be investigated to ensure that we do maintain the highest possible standards in our ambulance system.

As recently as this morning, I spoke with the chairman of a subcommittee of the Thames Valley health council, which is looking at ambulance services in the area, to see if there are any recommendations they want to make, to ensure maintenance of a high quality. So, of course, I will look at what has been sent to me.

Mr. Van Horne: The minister made reference to the program on which he spoke, and also, I made reference to the April 9 reply. He indicated in that reply that a full investigation and detailed response would be forthcoming soon. Could he tell me when that "soon" will be?

Hon. Mr. Timbrell: As soon as possible.

PROPERTY TAXATION

Mr. di Santo: To the Minister of Intergovernmental Affairs: Is the minister aware that the last property tax increase for the owner of an average-sized house in North York in 1979 is \$90 and that taxes for an average house are now more than \$1,100 a year? If the minister is aware, can he tell us if, 13 years after the Smith report and repeated promises, the government is finally determined to introduce tax reform based on equity and fairness?

Hon. Mr. Wells: This government has always been committed to ongoing tax reform at the local level and I would have to say I have indicated some of the things that are going to happen. My colleague, the Minister of Revenue (Mr. Maeck), is going to introduce the new equalization factors in July, which will bring equity to the unconditional grant system in this province.

Some municipalities have had section 86 reassessments, which have caused some problems, but which, when all is said and done, have created certain equities in the assessments in those particular areas. We are reviewing and working now with the municipal liaison committee on a method of fiscal transfers between the province and the municipalities, which will take effect next year, I hope. We are always looking at ways to reform the system and to assist municipalities and the taxpayers in them. That doesn't mean there hasn't been some increase in taxes

this year, but I think the municipalities can justify that.

Mr. di Santo: Not some increase; in the last three years the property taxes in Metropolitan Toronto have doubled.

I would like to ask the minister, since the property tax increases are caused primarily by the decreased provincial grants—the educational grants went down from 61 to 52 per cent in the last five years—and in view of the fact that since 1976 there has been no improvement in the tax credit for senior citizens, how can the government say that they are continually reviewing the tax system? Doesn't the minister think that he is betraying the expectations of low-income and senior citizens and the commitment made before the last election in the so-called charter for Ontario, to eliminate completely municipal taxes for senior citizens? Doesn't he think he should do as the government of Alberta did and fulfil the promise to cut municipal taxes?

Hon. Mr. Wells: First, let me say that it is my recollection that probably about 60 per cent—maybe just a little under 60 per cent—of the senior citizens of this province do not pay any education tax because of the property tax credit. When they pay their income tax and the property tax credit is computed, the amount they receive is either equivalent to or more than the amount of education taxes they pay. So, in reality, nearly 60 per cent of the senior citizens of this province do not pay education tax.

In terms of actual increase in taxes, I don't know exactly what it is in North York, but the education tax in Scarborough, where I live, went up \$30 this year. I must say I do not consider that an inordinate increase in education taxes this year, considering the kind of education I am receiving from the schools of this province for the three children of mine who attend the public school system.

Mr. Grande: The province pays less.

Mr. Epp: Supplementary: I wonder whether the minister would indicate to this House to what extent he plans to expand the unconditional grants, which was recommended by a committee chaired by the deputy minister and to which he alluded just a few minutes ago, thereby providing more autonomy for local municipalities.

Hon. Mr. Wells: The whole matter of unconditional grants and the grants reform committee is still under study. I think my friend knows some of the problems encountered there. That committee recommended massive deconditionalizing of grants. But, as we discussed in my estimates last year, if

one starts talking about highway grants, my friend, the Minister of Transportation and Communications, will give 25 reasons why highways grants should not be deconditionalized. He is backed up by all the municipal road engineers who work for the same councils that support the recommendations of the grant reform committee. Then there are library grants and so forth.

The whole matter of deconditionalizing grants and unconditional grants is one that is still under study. I cannot give any answer yet as to what will happen with that report.

USE OF COURIER SERVICE

Mr. Mancini: I would like to place my question to the Minister of Health. Is he aware that the ambulance services branch has used the services of a very expensive courier to send out mail to the ambulance operators of Ontario instead of using Canada Post? Could the Minister of Health inform the House at what cost this courier was used and if this is ministry policy? Is this an example of the restraint program that has been initiated by this government where it uses courier services and at the same time closes down hospital beds?

Hon. Mr. Timbrell: As I told the member in the chamber last Friday, that matter was investigated. It was found that a relatively new employee had done that, thinking she was doing the right thing. In fact, it was not. Steps have been taken to make sure that in future any use of couriers would be with approval of her supervisors, since there will be cases where one wants to get out information of an emergent nature.

That is not standard procedure, as I told the member before. Steps have been taken to correct the matter.

Mr. Mancini: What did it cost?

Hon. Mr. Timbrell: I will have to get that for the member. I do not have those figures with me any more; I had them with me last week when we discussed it.

Mr. Mancini: Supplementary: Could the minister please table in the House the cost of the courier services used in the past year by the Ministry of Health so that the members of the Legislature can know to what extent he is using these courier services instead of the post office?

Hon. Mr. Timbrell: I will take that into consideration. It certainly shows in the public accounts.

USE OF HERBICIDES AND PESTICIDES

Ms. Bryden: Mr. Speaker, I have a question for the Minister of the Environment. Is the

minister going to permit the Northumberland and Newcastle Board of Education to use 2,4-D for spraying school yards, in view of the fact that some children were reported to have suffered adverse effects from last year's spraying and in view of mounting evidence that this substance is a health hazard and possibly a carcinogen?

Hon. Mr. Parrott: Mr. Speaker, I have had a chance to have some consideration on this matter prior to this question. If I understand the figures correctly, 12 parents in that area are concerned. I think it is a great opportunity for those parents in that community, along with their school board, to put into a very balanced perspective the advantages of mechanical versus chemical destruction of weeds—or, indeed, a much broader issue, the use of chemicals in our society.

[11:15]

At this time they can choose whatever method they wish to control the weeds in the school yard. It is their problem and they should use it as a great educational experience.

Mr. Conway: Local autonomy in weed control!

Hon. Mr. Parrott: Once in a while the members opposite will learn that the people of this province have to make some choices and decisions on their own; it is not always this government. The members opposite would take away all of the people's thought process and put it in government, then pretend that they are the people's protectors.

Mr. Martel: Go drill a tooth.

Hon. Mr. Parrott: I would love to drill the honourable member's—and there would be no local anaesthetic!

Mr. Martel: I'd die of suffering first.

Hon. Mr. Parrott: That's good news for me too. How was I diverted from my original answer, Mr. Speaker? I think it was an interjection from the member for Sudbury East.

Mr. Deputy Speaker: I thought you were finished with the answer.

An hon. member: Blame it on the feds.

Hon. Mr. Parrott: No, no. They would not be that foolish these days.

Let me get back to the question: I think it is a great opportunity for an educational experience in that particular community. I know that many of those parents are using vast quantities of 2,4-D on the farms they now work. I do not think one can put this

question in such simple terms. Those students should be brought face to face with the value of 2,4-D in our farm communities. The only way they will do that is if they stop spraying in their school yards and then take their hoes and start hoeing a 50-acre field of corn. That might have some significance to them, because 90 per cent of 2,4-D is used in the farm community and, I think, doing an excellent job.

The very small drop of material used in the school yards relative to the total use in society should be put in perspective. It is a good opportunity for an educational experience, and I will not interfere.

Ms. Bryden: I would like to ask the minister whether he is aware that the British Columbia Medical Association stated as recently as May 1978 that 2,4-D has demonstrable carcinogenic and teratogenic effects, and that the National Farmers Union in Saskatchewan is questioning the use of 2,4-D on farms as well? It seems to me that when children's health is involved we should exercise extra caution.

Mr. Deputy Speaker: Order. The question has been asked.

Ms. Bryden: Will the minister ban the use of this for school yards until such time as its safety has been established?

Hon. Mr. Parrott: To ban 2,4-D in the school yards of this province is such a silly proposal that it is beyond my comprehension to understand why the honourable member would ask that. It is the smallest possible drop in a very large bucket. It would have no effect on our health whatsoever—none, absolutely zero—and yet the proposal is that we ban it in the school yards. I cannot accept that. I think our advisory committee is continually looking at—

Mr. Ruston: Here comes a note with the answer.

Mr. J. Reed: Read it.

Hon. Mr. Parrott: Listen, I have the right to answer the question as I wish.

Mr. Breithaupt: Read us the note.

Hon. Mr. Parrott: I will be glad to read the note.

An hon. member: It says it's a federal problem.

Mr. Deputy Speaker: Order. The honourable minister will have lots of time to read the note. The time for oral questions has expired.

REPORT

STANDING SOCIAL DEVELOPMENT COMMITTEE

Mr. Gaunt from the standing social development committee presented a report and moved its adoption.

Mr. Gaunt: Mr. Speaker, I would like to make some brief comments in tabling this report. Commencing on April 23, 1979, the standing social development committee met on numerous occasions to consider the annual report of the Ministry of Health and in specific terms to consider the proposed closure of the Lakeshore Psychiatric Hospital.

During this period the committee heard testimony from a large number of expert witnesses and studied carefully their expert opinions on the provision of mental health services in Ontario, more particularly at Lakeshore and Queen Street psychiatric hospitals.

After four weeks of intensive public hearings, the committee met on Wednesday, May 16, 1979, at which time it was unable to reach a consensus on recommendations to be made in the committee's report.

Subsequent to that meeting, the committee has again met and has reached agreement on certain points. This consensus is reflected in the committee's report tabled today.

On motion by Mr. Gaunt, the debate was adjourned.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS

(continued)

On vote 701, ministry administration program; item 1, main office:

Mr. Bolan: First of all, I would like to make reference to the statement the Minister of Northern Affairs (Mr. Bernier) made this morning with respect to Field and the program proposed by the government to assist these people who have been displaced from their homes.

I'd like to point out the program he has come up with is reasonable. I think it's fair and I think it will be of great benefit to these people who were displaced through no fault of their own.

One area he does not mention, and perhaps he could enlighten us about it later on, is he refers to the fact he will meet with the officials of Field Lumber Company to see what can be done to assist them. I may have

missed it as I read the statement rather quickly but I don't see anything in here about any of the other small businesses in Field which were affected by the flood. I'm thinking of at least two or three small grocery stores and that type of small operation which, if he was there, he may have noticed have been completely wiped out.

I realize that you're dealing with many things in the area and you just can't possibly do it all at once but the other thing that really concerns me is the bridge which crosses the Sturgeon River and which goes into the small community of Crystal Falls. This bridge was completely wiped out. I have been in contact with Ministry of Transportation and Communications officials to ask what they propose to do about it. At the moment they're putting a road through on a circuitous route behind Crystal Falls which detours for about 40 miles. Some of the citizens of the community don't mind this, but it's an extreme hardship on the children. It means they have to leave home at seven o'clock in the morning, and get back around six o'clock at night.

I realize you have a roads program. I realize you do have a construction program for bridges and what have you, and I would urge you to look into this matter as soon as possible, because you can't build a bridge inside two or three months. There is much which can go into it, although information is that a Bailey bridge would more than adequately support, or more than adequately assist the situation. Right now, the kids are going across by boats. The river is about 200 yards wide at this point and, believe me, all you need is for one of those boats to capsize and you've got real problems.

I will leave that in your hands. I would hope Mr. Aiken, who I believe has been appointed the flood co-ordinator in that area, will look into this matter because I really do believe it is of great interest.

There is one other thing I want to mention. I'm glad to see the Minister of Industry and Tourism (Mr. Grossman) here because I was going to ask him a question on this point, however, I was not able to ask it during the question period. It has to do with the request made to the Minister of Industry and Tourism by the West Nipissing Tourist Area Association.

These people are in four unorganized townships which have been seriously affected by the flood and some two weeks ago they requested, through the Minister of Industry and Tourism, that the four townships in that area be declared a disaster area. These four unorganized townships are the townships of

Loudon, Macpherson, Latchford and Bertram. They are not the townships which were referred to in the statement made by the Premier (Mr. Davis) some three weeks ago when he announced certain unorganized townships as being part of the disaster area. They are not the same unorganized townships. They are separate townships altogether.

Two weeks ago, the association, whose president is a Mr. Rick DeSantis, wrote to the Ministry of Industry and Tourism requesting that those townships as well be declared a disaster area so that they might qualify for assistance. Some of these people are in very dire straits. I might say, the government has responded to the tourist operators on the other side of the lake by declaring the township of North Himsforth and the township of Nipissing disaster areas so that they would be able to qualify for the funds. However these unorganized townships not having any government body through which to speak—

Mr. Wildman: What about local road boards?

Mr. Bolan: —have not been able to get any results from the government. I believe there is a cabinet meeting on Wednesday, and I would ask the minister to take this up at that time. The lake is the same level right across. If the tourist operators at one end of the lake, i.e. the townships of Nipissing and North Himsforth, are affected by the rise of the lake, the same thing applies to the other side.

My information is that there are some 150 operators who have virtually been put out of business. Unfortunately the damages cannot be assessed until such time as the water recedes. However, we would hope that would happen within the next 30 days. In the meantime I would urge the minister, through his co-ordinator, Mr. Aiken, to get this going.

There was one matter raised by the minister last Friday. Unfortunately I was not able to be present for the reasons which I outlined a few minutes ago; that is to say, I was meeting with the tourist operators in that area. As I read from Instant Hansard, the minister made reference to the \$10 million North Bay received as a DREE grant. I would like to read back what he said because there is a correction to be made. I think when I have explained it he will understand.

Hon. Mr. Bernier: I'm sorry you weren't here.

Mr. Bolan: "I must say that the Industrial Development Commission in North Bay has done one fantastic job in attracting small industry to this community and that has en-

couraged both levels of government to move in with this particular development. But what happened? The federal government came back here and said, 'Look, we are ready to go for a \$10 million package, not a \$14 million package. Somewhere down the road we will talk about the other \$4 million. We would like to get on with just the development of the industrial park, so we are prepared to sign a \$10 million package.'

"Well, we looked at it very carefully and, of course, there was the big talk of cutbacks came to the fore. There was some concern . . ." When we read Instant Hansard, that's when we realize how poor our grammar and sentence structure are.

"There was some concern that we might even lose the \$10 million package. I recall very vividly going to North Bay and meeting with the chamber of commerce and being roasted, being literally roasted, for my stand in wanting the whole loaf . . ." and then you went back and you were roasted again, et cetera, et cetera.

I just want to set the record straight. Before the Ministry of Northern Affairs was created there was an agreement prepared to be signed by the federal and the provincial governments. I saw this agreement. This agreement was ready in August 1975. I was on city council at that time and was privy to seeing the agreement which was prepared. [11:30]

The \$4 million you speak about comes as a result of the interchange at Marshall Avenue. When the original application was made and the original agreement was prepared, it did not include the Marshall Avenue interchange. In other words, at that time the Marshall Avenue interchange was not even considered part of the deal. The agreement at that time called for something like about \$9.5 million, \$9.6 million. It was not signed. I am not going to say who was responsible for it not being signed then, although there were some overruns on the DREE projects which were going on in the Thunder Bay area. In any event, we didn't get the dough at that time.

Subsequently, the application was made again or it was looked at again by the parties, and the Ministry of Transportation and Communications could see the day coming when Marshall Avenue would be extended to meet with highway 11, as a result of which an interchange would be required, as well as a level crossing for the railway line which runs through there. They said \$4 million would be required for the interchange.

My understanding is the federal government said that interchanges are not part of

DREE agreements. They provide assistance for building industrial parks, for putting in hard services, but don't provide assistance for building roads or interchanges, et cetera.

I remember having discussed this with this minister and he brought to my attention the fact the federal government had insisted on an interchange or a part of a highway being built in the northwestern part of the province where some DREE moneys were expended.

I looked into that and I stand to be corrected, but my information is that that was a necessary part of the entire project; that is to say, that particular interchange or highway in the Thunder Bay area was a necessary part of the entire package. However, the Marshall Avenue interchange was never a necessary part of the entire package. In other words, they could very easily develop the industrial part; put in hard services without that particular interchange being required. The proof of that is it is not included in the construction program for 1979-80. Now we ask the question, if it was insisted on back in 1977 when they were hammering out the agreement, and now it is not included, just where do we stand on that today?

I might say that in the sub-agreement which was signed between the parties, based on the clauses in that agreement, the necessary funds for that particular interchange could be squeezed out. In any event I am sure the good officers of your ministry will press your cousins, now in Ottawa, who I am sure will be of great benefit to you.

Hon. Mr. Bernier: This is very enjoyable.

Mr. Bolan: It really is. I am enjoying it too. Incidentally, the other thing I want to mention is that while Darcy McKeough was Treasurer there was no way we were going to get any of these funds unless they provided the \$4 million for the interchange. When the used car dealer became Treasurer, he saw the light and said, "My goodness, we have a chance to share in \$10 million instead of \$14 million. Let's take the \$10 million."

My federal counterpart, who is no longer the Solicitor General, but is an opposition member now—

Hon. Mr. Bernier: I am enjoying that too.

Mr. Bolan: Yes—phoned up the Treasurer the very day after he was appointed. They solved the problem immediately. It was merely a question of an immovable force being replaced with someone who could see the real benefits, and of course the minister was in complete agreement with it because he saw the immediate benefits which would

result. In any event, I thought I should draw that to the minister's attention in order to straighten out the record.

There's one little area I want to cover before I sit down and we can finally vote on this particular vote, I would imagine. I like this little button that was printed: "On s'amuse dans le nord." This is when Tom Campbell was the deputy minister. I don't know how the minister amuses himself, I don't know whether it is with the deputy minister or what, but in any event, I looked on the back of this little badge and it was printed in southern Ontario. It was made in southern Ontario.

I drew this to the attention of some business people in my area and they wrote to the minister, as a result of which they received offers to put in bids for the printing of these new little badges. They were accepted as bidders and they have felt all along, as I feel, that one of the functions of the ministry is to have many of these things done in northern Ontario.

I want to emphasize that there are facilities in northern Ontario to do many of the things such as promotions, ad agencies and what have you. We do have those in northern Ontario who can do the job as well as in southern Ontario and I do suggest that the government look at them and that they be considered just as well as anyone else. In fact, I am aware of a couple of applications from ad agencies in northern Ontario right now to participate in the many programs which the government has.

That's all I have to say for the moment.

Hon. Mr. Bernier: Mr. Chairman, if I may respond briefly to the member for Nipissing, I appreciate his remarks with respect to the assistance that the government is prepared to provide to the community of Field and the surrounding area as it relates to their terrible disaster. In fact as I said—

Mr. Wildman: Put the resolution on the record now.

Hon. Mr. Bernier: Yes, I have it right here. I have the resolution. But I was most impressed in my visit to that community last night with the fortitude and the gutsy attitude of those people who have banded together, and banded together they did, because at the height of that disaster five of those organized municipalities came together and rallied to the cause and provided all those necessary disaster relief programs and facilities in a very co-operative way. I had to say to them last night that they had responded in true northern Ontario spirit.

I have to say they were very pleased with the announcement we made last night to

them on the support they are getting. Indeed, the establishment of a co-ordinating role for the Ministry of Northern Affairs, through the assistant deputy minister at Sault Ste. Marie, Herb Aiken, was well received. I think that's the role that we as a ministry can really play, and we played it in a number of other areas and it certainly is following through in this event.

The problem with the Field Lumber Company is one that we're going to discuss, as I said in my statement, on Tuesday next. They have some horrendous problems as it relates to their operation, there's just no question. We think that they are the only employer in Field employing, I think they told me last night, something like 85 or 90 people. We must find a way to get them back into business. It was a sad sight to see lumber strewn up and down the Sturgeon River and logs being pulled out of the bush so to speak. I think the owner was paying individuals \$3 per log to pick them up and return them to the mill.

With respect to the retail establishments, this I think would be handled under the Disaster Relief Fund that will be established there. The committee is certainly very concerned with the hotel and the restaurant and the barber shop and a few other things. They will be looked after under that very active committee that has been established. I might say further, in connection with the member's comment with regard to Crystal Falls, we spent some considerable time last night discussing that particular problem. People were there, they expressed some concern, as the member has correctly pointed out, with regard to the students who are being taken across the river system in very small boats. In fact, today they are out looking for a much larger boat to transport those students across, a boat that has all the safety requirements to make sure that there isn't a disaster following the one we just had. That will be looked after.

It was my understanding in my discussions last night with the various officials that a Bailey bridge would be constructed. I hope that will be in place by late August. We are looking for something to look after the problems of transportation out of the Crystal Falls area in the immediate future. They have to travel something like 45 miles around the river system, but if they could cut across, it reduces that mileage to about 14 miles.

I noted your comment with respect to the other areas that are not covered in the original announcement. I am going to ask my assistant deputy minister, Herb Aiken, to give us a report on the extent of damages in those areas because he will be on top of the issue.

We will make a decision after that time, once we have had his report, as it relates to those tourist operators who may be affected and have not been included in the disaster relief package.

As I mentioned in my statement, there will be a meeting tomorrow morning in Field. We have asked the reeve and the council, through a good publicity program, to bring all the people together. The officials from a number of ministries, headed by the flood co-ordinator, will be there to answer any specific questions because there are a lot of questions. I had to make it clear to them last night that while we were coming in with what I think is a good positive program, one that will not see any direct hardship passed on to each individual family or to specific families, they will have to carry some burden.

They accepted that. They said: "This is great. We fully understand that." The upheaval alone is part of the problems that they will suffer. I want to put on the record a resolution that was passed last night by the corporation of the township of Field. It was handed to me just as I was leaving that meeting. It was dated May 24, 1979, and was moved by Bernard Préseault and seconded by Pierre Langevin.

It reads: "The Field council is very appreciative and impressed by the fine co-operation extended tonight by the Honourable Leo Bernier and also the provincial government as a result of the Field disaster." That is signed by the reeve himself. I think that's indicative of the appreciation that they have expressed.

Mr. Nixon: That resolution should be copied and mailed to all the members from the north who are not here.

Hon. Mr. Bernier: I think it will be. On that point, I wish the members opposite had been there last night to hear the reaction of the community with respect to the concern and the very positive attitude that was taken by this government. The fact that the Premier, took time out and visited that area personally did not go unnoticed.

Mr. Nixon: He flew up in his own plane.

Mr. Bolan: You flew up in a government plane to get there too. I wasn't even asked to go with you. Why didn't you ask me to go up there with you?

Mr. Nixon: Certainly.

Mr. Bolan: Then you stand in this House and say you wish the opposition members would have been there.

Hon. Mr. Bernier: The Minister of Natural Resources (Mr. Auld) was right there. You weren't here yesterday.

Mr. Bolan: Come on now!

Hon. Mr. Bernier: You weren't here last Friday.

Mr. Bolan: Be honest.

Hon. Mr. Bernier: You were not here.

Mr. Bolan: Mr. Chairman, the record will show that I was here yesterday afternoon.

Mr. Nixon: That's correct.

Mr. Bolan: And last night. Stop playing games.

Hon. Mr. Bernier: I am not playing any games. I am just pointing out to you the appreciation of this community.

Mr. Bolan: Fine. Then don't say that you wish the opposition members would have been there last night when they weren't given an opportunity to be there. I don't have a government plane at my disposal as you have.

Hon. Mr. Bernier: I am not arguing why you weren't there. I never mentioned it. You mentioned it. You must be oversensitive.

Mr. Nixon: You did. You brought it to public attention when you said you were sorry he wasn't there.

Hon. Mr. Bernier: After he brought it up.

Mr. Bolan: Where is crazy Eddie Havrot today? Why isn't he here listening to what you are saying right now?

Mr. Nixon: Where are your colleagues from the north this morning?

Hon. Mr. Bernier: Where is your colleague?

Mr. Nixon: He is getting married?

Hon. Mrs. Birch: Today? No, he is not.

Mr. Nixon: Very soon.

Hon. Mr. Bernier: He is getting married. There is only one over here.

Mr. Bolan: Where is crazy Eddie? Is he giving advice to some Indians up in Bear Island?

Hon. Mr. Bernier: In this instance, I can look after the problems of northern Ontario. So much for the Field disaster.

[11:45]

Mr. Bolan: How about the Tory disaster over there?

Hon. Mr. Bernier: What about the Liberal disaster last Tuesday over there? Believe it or not, fellows, you are an extinct species, a very extinct species.

Did you hear what Pierre Berton said?

Mr. Bolan: Who?

Hon. Mr. Bernier: Pierre Berton.

Mr. Deputy Chairman: Gentlemen, we are dealing with vote 701, not last Tuesday.

Hon. Mr. Bernier: I am not apt to quote Pierre Berton too many times, except in this instance.

I want to mention the Ontario DREE agreement to which the member made some reference. I just wanted to point out to him again, the \$14 million package is the one the former Treasurer and I pulled together. The Ministry of Transportation and Communications did see the necessity of having the Marshall Avenue overpass as part of the whole industrial park complex. There was no doubt in their minds that it is needed. Now, of course, we have set it aside for a period, and the agitation is starting again for the development of that overpass.

I was in agreement with the Treasurer at that time, that we should hang in there for the \$14 million. As I said to the people in North Bay, and the honourable member was present for those comments, "We had better take the whole loaf rather than just half the loaf." The honourable member agreed with the chamber of commerce and others at that meeting, saying, "Let's take the \$10 million, because God knows what will happen on May 22."

Mr. Bolan: We didn't trust you.

Hon. Mr. Bernier: That is right. Now they are back on our doorstep.

I want to make a comment about the necessity for the overpass. You said the federal government didn't think it was a necessity, yet, during those discussions, the Honourable Marcel Lessard made it very clear they were prepared to include the cost of that overpass into another subsidiary agreement, to tie it on or piggyback it on something. They were aware there was a real necessity there. To say it wasn't really necessary in regard to the industrial park development, I don't think is entirely correct.

Nevertheless, I have to say to you things have changed in Ottawa. I suppose the former federal member will have less influence than ever now so we won't be able to lean on him for any support. It may not be necessary. I think there may be more sensitivity in Ottawa today than there has been in the past.

Mr. Wildman: Surely the government in Ottawa will listen to opposition members.

Hon. Mr. Bernier: Nevertheless, it is a sad situation. It is a sad situation for North Bay not to get the whole package. That is the point I am trying to make.

Mr. Bolan: Why didn't you include that in the federal works program?

Hon. Mr. Bernier: Why should we? It is part of the whole package. It is a package.

Mr. Bolan: Why is it you say it is a sad thing when we didn't have it included in the federal works program?

Hon. Mr. Bernier: If the federal government at that time were sincere in doing things for northern Ontario under the DREE agreement, it would be there.

Mr. Bolan: You are the ones being insincere.

Hon. Mr. Bernier: No, we are not. We were anxious to have it there, but you backpedalled. You were getting a little nervous about losing everything. We weren't. That's right. I accept that. Nevertheless, we will have to deal with that problem down the road, and again I hope we will have a more sensitive group in Ottawa than we had in the past.

In connection with the member's comments relating to our concern and our purchases of different items, we are very sensitive about that. I think you are aware of that. In fact, the ministry information newsletter is printed in northern Ontario, as are a number of items we use in the course of our administration.

You are quite right in saying ad agencies are located in northern Ontario. We will be selecting one of those which has submitted a proposal. Again, they will be from northern Ontario, because we strongly feel, as it should be, that being a regional ministry related to northern Ontario, we should be using northern Ontario people to get that northern Ontario attitude. We will certainly continue with that attitude in the future.

Mr. Nixon: I just wanted the opportunity to make some comments under vote 701. Before I get into the specific point I want to raise, I just want to respond to the minister's comments about my colleague from Nipissing not being at this meeting. Actually, my colleague from Nipissing has done a magnificent job in his important role as the Liberal Party critic of the Ministry of Northern Affairs. He has a double job, in that he is also our critic for the Ministry of Natural Resources, whose estimates begin as soon as these estimates are finished. So he is going to have a very heavy and onerous responsibility before this package of estimates is completed.

Hon. Mr. Bernier: That's not correct.

Mr. Nixon: I am just telling the minister that he is the critic.

Hon. Mr. Bernier: The member for Rainy River (Mr. T. P. Reid) is the critic of the Ministry of Natural Resources.

Mr. Nixon: The minister does not read all his press releases.

Mr. Chairman, I had some concern at the time this ministry was established. Not being a formal student of history, but following the events in this province for many years, I note that this has gone in a cycle. There have been other occasions when the government of the day has decided to hive off the responsibility for affairs in the northern part of this province to a special ministry. Allan Lawrence was the previous tsar of the expenditure of northern money and the hand-out of bridges, overpasses and things like that.

Hon. Mr. Bernier: You call these things handouts? That's a southern Ontario attitude. We are entitled to them.

Mr. Nixon: Then we went back to a more general approach whereby the Ministry of Transportation and Communications, the Ministry of Natural Resources and so on had the same responsibility in northern Ontario as they have in southern and eastern Ontario. Now we have gone to probably a more extreme position.

My colleague from Nipissing probably does not agree with what I am saying but, as a southerner, as a citizen of Canada and a resident of Ontario, I resent the attitude in this House that puts northern Ontario off by itself with its own budget and its own minister, with us more or less saying, "Nothing really happens up there of significance to the people down here." In other words, it is almost like a province set apart.

The minister mentioned the fact that my colleague had not attended a certain meeting. He said, "Wasn't it too bad he wasn't up there to look at the flood at Field?" when the Premier in his executive jet, paid for with taxpayers' money, flew over, settled down somewhere, shook hands all around and came back.

Here we are, considering the estimates of the Ministry of Northern Affairs—and I will tell the minister, I am not proud of the attendance of the Liberal Party here.

Hon. Mr. Bernier: You shouldn't be.

Mr. Nixon: I shouldn't be. But on the Conservative side the members absent are as follows: the members for Fort William (Mr. Hennessy), Cochrane South (Mr. Pope), Timiskaming (Mr. Havrot), Sault Ste. Marie (Mr. Ramsay), Parry Sound (Mr. Maeck)—and that is northern Ontario, because they get \$10 licences—Algoma-Manitoulin (Mr. Lane) and Cochrane North (Mr. Brunelle). They are not here. The member for Durham West (Mr. Ashe) and the member for Scarborough East (Mrs. Birch) are here; they are always here. It may be a reflection on their other respon-

sibilities, but I do not believe that. I think we are elected to be here in the House, and the absence of northern members concerns me.

I have been making a list. The member for Algoma (Mr. Wildman) is here in his capacity as the New Democratic Party critic. But, of his colleagues, the member for Sudbury (Mr. Germa), who was here a moment ago, is not in his seat right now; nor are the members for Nickel Belt (Mr. Laughren), Sudbury East (Mr. Martel), Port Arthur (Mr. Foulds), Lake Nipigon (Mr. Stokes) and Algoma.

Mr. Wildman: Wait a minute! You just said I was here.

Mr. Nixon: I am sorry; the member for Algoma is here. He is on a special list—a list of one.

Mr. Deputy Chairman: Is the member for Brant-Oxford-Norfolk drawing my attention to the fact that there is not a quorum?

Mr. Nixon: I am talking about the policy—

Mr. Wildman: Where is the member for Rainy River?

Mr. Nixon: The member for Rainy River was here a moment ago and may come right back in. He is being married very shortly and is out making some last-minute arrangements.

Here is the member for Sudbury, and I certainly want the record to show that.

The point is this: By setting the affairs of northern Ontario apart in a special ministry, everybody on the Tory side says, "The member for Kenora will look after it," because they love him in the north. He goes around throwing money out the back end of his plane, and everybody cannot wait for him to fly over town, whether it is because of a flood, a bridge or some other blooming thing. We do not mind voting money in this Legislature for the support of northern projects.

In my former capacity as leader of the Liberal Party, I have been in many northern communities. I have said this before, but the first time I ever saw the minister he was standing in the middle of the main street of Hudson; it was not even paved then. We were making a legislative progress through northern Ontario. We were visiting sawmills and going down the mines. We were using government planes—actually using them as members of the Legislature—to see what is up there. We flew over the forest. We went to Trout Lake, Fort Severn, Attawapiskat, Albany, Moosonee and all the places in between.

Mr. Ashe: How was the flying?

Mr. Nixon: All right. So he says we haven't been back since. It's true that many of us have gone up there on little fishing expeditions, to visit relatives, to attend weddings, that sort of thing. Maybe a few of us have even gone to political meetings which is fine, but this minister has not lived up to the traditions of his predecessors. Usually the Minister of Natural Resources has used his colossal budget and organization, his fleet of aircraft, boats and cars and his treasury full of money, to give the members of the Legislature a chance to see these things in the north.

I am not talking about going from town to town, having municipal dinners paid for by the provincial treasury to listen to the mayor and corporation welcome us and to hear the local Tory spokesman talk about what a great job they are doing. They do plenty of that, and to be fair in an unfair situation do it quite successfully. But it is a shame that so many people in the southern part of the province, and in this city, think about northern Ontario as some never-never land. There is as much chance of them going to Tibet as there is to Kapuskasing. I think that is very unfortunate. The actual geographic centre of this province is Kapuskasing, which is why the name of the town came to mind.

As I say, I don't know whether we should even think about one of these great, formal, legislative progresses where we all go through and stuff ourselves with local goodies of all descriptions, solid and liquid. Certainly, we can do that in our own time, but there should be a good opportunity—

Mr. Wildman: You can't get people's beer down here.

Mr. Nixon: Northern lager. There should be a good opportunity, however, for the members of the Legislature, at least, to go in small groups to a lumber camp; to go down in a mine at Elliott Lake and see what they're doing with our \$7 billion; to go up to Moosonee once again to see that fine community and to see how government policy has been so inadequate in meeting the needs of that community; and to see some of the far northern places too.

Maybe the minister can't as Kelso Roberts did, undertake to take the whole Legislature to Fort Severn, but he did it and we were well received there. We ate beans and homemade bread and talked to everybody around who would stand still. We slept on the floor of a school in Trout Lake and we ran footraces by the light of the almost midnight sun. That was a great experience for us. We had a chance to fish—and why shouldn't we? After all, we're very much concerned with the tourist industry and that sort of thing.

I would say to you, Mr. Chairman, that the absence of so many members and the presence of so many empty chairs is an indication of the general level of interest.

It's Friday morning, but during question period there were lots of members here from all parties. Now it's Northern Affairs and we're not interested in it. It's sort of like when we do the agriculture estimates. At least the farmers are there, but when we're doing Northern Affairs' estimates even the northern members aren't here. They all leave it up to Leo.

And while I have the greatest regard and personal good feelings for the minister, that is not good enough. I think the minister has to take the responsibility for injecting some interest and concern for northern matters. I'm not sure that he should organize a tour for the whole House, but there ought to be a formal procedure, not where we use our legislative travel allowance to go and walk around Thunder Bay and shake hands with people on the street or something like that, but to actually go and see the things that are northern, that we deal with here in the money that we vote, that we deal with here in the debates, such as they are, on northern matters.

Hon. Mr. Bernier: May I respond briefly to the member for Brant-Oxford-Norfolk? I appreciate his becoming involved in these estimates and am very much aware of his interest in northern Ontario. Certainly when leader of his party he made it a point to go into that part of the province on a regular basis and became very familiar with the geography, with our problems, and I have to admit showed a real personal interest in northern Ontario which is reflected in his comments today. I'm most impressed that he has remembered so well that great trip to Hudson. I think maybe that was one of the highlights of your visit.

[12:00]

Mr. Nixon: They paved the street right after that.

Hon. Mr. Bernier: Yes, they paved the street and we have the housing we asked for. He will recall the sign across the street.

Mr. Nixon: I remember.

Hon. Mr. Bernier: "We have industry, sir, we need housing."

Mr. Nixon: I think it's the "sir" that did it.

Hon. Mr. Bernier: We've got housing. We've got paved streets. It's all because of the positive action of the government of Ontario, the Tory government of Ontario, which has responded to those needs and those requests.

Mr. Nixon: But the cynical would say they bought the seat of Kenora.

Hon. Mr. Bernier: I get a little nervous when I hear members from southern Ontario speak about "handouts." They spoke about handouts for roads and bridges.

Mr. Bolan: Have you got a better word for it?

Hon. Mr. Bernier: In northern Ontario they're not handouts. We have every right to expect our roads and our bridges and our schools and other buildings, and the other things that are taken for granted here in southern Ontario.

Mr. Nixon: We vote the money with enthusiasm. We don't think you spend enough on those roads.

Hon. Mr. Barnier: But because it's northern Ontario it's a "handout." We're not poor country cousins in the north. We have every bit as much right to the things you have here and take for granted; we should have them there.

Mr. Wildman: That goes for the hospitals too.

Mr. Nixon: I used to live in northern Ontario.

Hon. Mr. Bernier: That's what we're fighting for and that is one of the reasons this government has established a separate ministry to focus attention on those very special and unique needs in northern Ontario.

Mr. Nixon: The government paid me \$2,800 to teach school up there.

Hon. Mrs. Birch: You were overpaid.

Hon. Mr. Bernier: I make no apology for our parochial attitude, if you want to call it that, to try to get the amenities that are taken for granted here in southern Ontario.

The reference to a colossal budget would not go over well in northern Ontario, I have to say that to the member. As northerners, and I am sure northern members will agree with me, we need much more than we have today. I keep impressing this on the Premier and the Treasurer (Mr. F. S. Miller). Our budget is quite healthy and it has been increased much more rapidly than those of other ministries. I hope that continues, so that someday we may have a colossal budget for northern Ontario and we could look after such things as the Marshall Avenue overpass and a few other things the member for Nipissing would like.

Mr. Nixon: What is it, \$140 million?

Hon. Mr. Bernier: It's \$141 million. It has been going up quite substantially each year.

We started with \$91 million about three years ago.

The trip to northern Ontario is something I've always been supportive of. In fact I had the pleasure of organizing the last trip. As Minister of Natural Resources I sent a questionnaire to every member of the Legislature and I received 80 or 81 responses saying they would join us on a tour. We had all the transportation arranged, the trains, the buses and the airplanes; the accommodation was laid on.

Out of 80 or 81 members who agreed to attend only 30 showed up. The cost to the taxpayers at that time was substantial. I think it was in excess of \$130,000 or \$160,000 for that tour. I was very disappointed, and I think I speak for members on all sides of the House, with the response at that particular time. I know there were specific reasons. I think there was a federal election called just about that time and there were some other involvements members were concerned about.

I have to agree with the member for Brant-Oxford-Norfolk that those members who are really interested—maybe the standing resources development committee is the group that should go to northern Ontario; it has a direct and sincere concern and interest in the affairs of northern Ontario.

There is the member for Rainy River. Have you looked after your marriage problems? Somebody said you were having some difficulty, that you were out making final arrangements for some event that is going to occur in a few weeks and that's why you weren't here. He was trying to be helpful.

Mr. T. P. Reid: Oh yes.

Hon. Mrs. Birch: He's not even married and talking about the problems.

Hon. Mr. Bernier: We wish you well anyway.

The honourable member has pointed out that each member does get four trips a year to any place in the province. They do get passes on the Ontario Northland Railway if they wish to go up to Moosonee. In fact if they want an itinerary I'm sure the honourable members from northern Ontario would be glad to assist me in setting up such an itinerary for the southern Ontario members, so that they could see the mining development, the forestry development, the tourism development and the other developments that have occurred and should occur in northern Ontario. I want to thank the member again for his comments. They are always given in a very constructive and positive way. As this

ministry moves ahead I'm sure they will be continuing in that vein.

Mr. Wildman: I want to follow up on a couple of comments that were made by the Liberal critic, the former Liberal leader and the minister.

In relation to the numbers of people who aren't here and the lack of interest, I wonder if perhaps one of the reasons for that is the very fact that it is difficult for many members to understand exactly what this ministry is doing. The ministry is a co-ordinating ministry, as the minister says. However, on May 14 my colleague from Port Arthur stated: "What worries me a bit about this discussion we have had today is that it does not seem to me that you, as Minister of Northern Affairs, consider your ministry should be the lead ministry in every single activity that takes place in Northern Ontario. I think it should be. I think if your ministry is really worth its salt the ministry should be the one that is telling the Ministry of Health what should be happening with the small hospitals that my colleague from Algoma referred to.

"This ministry should be telling the Ministry of Natural Resources what it should be doing in developing the single-industry towns in northern Ontario because it is your ministry that is supposed to have the overall view and the capability and should have the will to really develop the north as we all know the north should be developed."

The reply from the minister at that time was that he didn't share those views. In fact, he said: "I don't think we should be the kingpins in northern Ontario. We have a co-ordinating role. We have a role to bring matters to the attention of other ministries that have the programs and policies in place. Our job is to change some of those policies to reflect northern attitudes."

It seems to me that is a rather nebulous role and that is one of the reasons why many of the members, including northern members, may have some difficulty in dealing with what the ministry is doing. Sometimes I think that is a problem the members of the ministry themselves often have. That is not necessarily a criticism, but it is one thing that makes it rather difficult to deal with this ministry.

I have just a couple of short points. In relation to the matter raised by the member for Nipissing with regard to the bridge, the minister replied that they hope to have a Bailey bridge by August. Can the minister explain why it takes from May until August to install a Bailey bridge? During wartime if it took that long for the army to install Bailey bridges across rivers, we would have

awfully slow advances and retreats. It seems to me we can put Bailey bridges up in a very short time, if we put our minds to it.

Mr. T. P. Reid: You can put them up an awful lot faster if you are retreating.

Mr. Wildman: In my riding there is a road into Dubreuilville. I emphasize that this is the portion of that road which is under the jurisdiction of the improvement district of Dubreuilville, the municipality, rather than the portion of the road which is an industrial road and which is under the jurisdiction of the company. There was a bridge washed out during the recent high water in northern Ontario. They are now in the process of negotiating with MTC to get a Bailey bridge and they certainly don't expect it to take until August to have it installed. What they are mainly concerned about now is how much they are going to have to pay as opposed to MTC. They would like to see MTC give them far more than 80 per cent subsidy on that construction. I really wonder why it takes that long to build a Bailey bridge.

In relation to the role of the ministry in terms of co-ordinating—again that term "co-ordinating"—the response to the flood disaster, this is something the ministry should get involved with, expediting the installation of these bridges and perhaps looking at the possibility of assisting. If MTC is unwilling or unable to give a higher subsidy rate than 80 per cent, perhaps this ministry should help communities such as the one my colleague from Nipissing was referring to.

I'd like to hearken back to a couple of things I asked about in my lead-off, which the minister didn't get a chance to reply to. I asked him about the three-year program for exploration for minerals that the minister announced when we held a debate on the establishment of the ministry. I'd like to know what progress is being made on that, if any. Does it indeed refer simply to the Ministry of Natural Resources study on aggregates in the north? If it does, while that's a good thing I suppose, it's hardly a response to the need for further exploration in mining in northern Ontario.

The other thing I wanted to clarify was some comments made by the minister with regard to freight rates and the letter written by Mr. Korpela to a number of newspapers in northern Ontario. I think he misquoted the Minister for Transportation and Communication (Mr. Snow), where he indicated that he didn't recall meeting with Mr. Korpela and making those comments. In fact, the minister should be aware that at the time of the introduction of the bills con-

cerning deregulation, while opposition was expressed by members of both opposition parties, at the same time both parties made clear to the government and to the minister that they would accept a change in the North Bay restriction. I think the Liberal critic will testify to this. We would accept that change if the government would introduce it alone without the other measures that were part of the ministry's proposals, which the select committee on the highway transportation of goods recommended against.

For some reason the minister didn't take us up on that. He didn't come back with the kind of legislation; he just forgot about it. To say that the NDP and "some misguided Liberal," which I think was the term Mr. Korpela used, were the ones responsible for not bringing in the change on the North Bay restriction is a little bit facetious.

Mr. T. P. Reid: So the Liberals line up with the NDP now?

Mr. Wildman: I don't know, considering the last federal election in Rainy River, where there was an interesting contest up there between the Liberal-Labour and the NDP.

Mr. T. P. Reid: The Liberal-Labour came through again.

Mr. Wildman: With some sweat, yes.

Mr. T. P. Reid: I'll tell you I wouldn't be proud of the NDP campaign in that riding.

Mr. Wildman: I certainly was happy to see that we gave the Liberal-Labour candidate a run for his money and perhaps deducted a little of the Labour from that tag.

Seriously though, in terms of the so-called co-ordinating function, I attended a meeting this morning with the minister. He was very hospitable and provided us with nice coffee. Hopefully, we're going to be able to get something for the delegation from Hornepayne that has a problem that affects other ministries. This ministry is going to look into the problem and deal with the other ministries to try to sort out something.

There is a community in my area which I think would be a real test for the ministry, if the ministry decided to take upon itself the job of co-ordinating the further development of that community. I'm talking about Missanabie. I mentioned Missanabie in my lead-off. The minister knows that we've had correspondence about that community over the past year or so. I said in my lead-off that I got one of the most serious replies I've ever received from the minister in a response to a letter I sent about Missanabie.

The minister knows there have been some housing problems and difficulty in obtaining

lots for people who want to build in Missanabie on a permanent basis. There has been a real mixup with regard to titles and who owns what land in Missanabie. It is a very old community where land seems to have been exchanged in the past without registry of deeds and so on. Some people are paying provincial land tax for land they don't think they own and some are not paying taxes on land they think they own. It's that kind of situation. The Ministry of Revenue and the Ministry of Natural Resources have been involved, but they don't seem to be able to sort it out. Until they sort it out, it is going to be very difficult to obtain land.

[12:15]

The Ministry of the Environment has been involved with a water problem. Dog Lake has been polluted from time to time. The Austin Lumber Company that operated there at one time was blamed at one point for some pollution. Private septic systems also seem to be at fault, so the Ministry of the Environment has proposed some assistance under their new program of up to 75 per cent for private water systems and sewage systems.

I had some correspondence with the minister to which I would like to refer, in which he said: "A review of the economic prospects of the community indicate there is not at present, nor is there likely to be in the foreseeable future, any significant pressure for additional housing lots for expansion in the community. If this situation were to change substantially, it would be of course appropriate to review their requirements at the time."

What the minister was referring to is the future of the lumber company in that community. Since I received that letter, as the minister knows, the mill changed hands and subsequently burned to the ground. Many of the employees who worked in the mill were employed in Chapleau, but that employment seems to be coming to an end now. The new owners have indicated they are looking at the possibility of rebuilding because they are afraid their limits are too distant from their mills in Chapleau.

I think the people in Missanabie are very concerned about the future of their community and their own individual and collective futures. I think this is a real opportunity. All of the ministries involved—the Ministry of Natural Resources, the Ministry of Revenue, the Ministry of the Environment, I suppose even TEIGA and the Ministry of Northern Affairs itself with its proposal for a local services board—had a meeting up there. All of these ministries are involved.

I think this minister should take hold of this situation and say: "This is an opportunity for us to show what we can do for a community that has a lot of problems but is one that has been there for a long time. It is a vibrant community which obviously is not just dependent on the lumber industry but is also very much involved in the tourist industry and the railroads." He should say: "We will do something for this community." I would like to know if you can give us some idea of what you are intending to do in that situation.

Hon. Mr. Bernier: Mr. Chairman, if I may respond briefly to the honourable member's comments, he referred to our ministry's co-ordinating role. As I pointed out on many occasions, this is a new thrust, for a ministry in the government to co-ordinate other ministries. I have said it before and I will say it again, it's not an easy role. Fixed programs and fixed policies are entrenched, and as northerners we know many of those policies and programs have been designed for southern Ontario. They don't apply in northern Ontario. It's our job in our new role as co-ordinators to see if we can change, adjust, and get a new direction in some of those policies and programs to really fit what we need in northern Ontario.

What you saw this morning in our discussions with the reeve of Hornepayne is the approach we like to take. I think the town of Hornepayne has a very special and unique problem as it relates to a northern Ontario municipality. As you saw, we are most anxious to sit down and see if we can co-ordinate the input; go to the other ministries and say to them in a very positive way that there is a special requirement. We intend to do that wherever that kind of a problem surfaces. From time to time we will be co-ordinating not only before the fact but sometimes after the fact, after the programs and after the jobs have been completed.

The honourable member was inquiring about our exploration program and our assistance to various ministries. I just want to put on the record a number of programs we have which I know will be of interest to him. I will take it right off my notes here because they are quite extensive.

I am particularly pleased that the honourable member for Timiskaming is here to share with us in the examination of these estimates because his area is one of the areas in which we are doing some very extensive mineral exploration.

The programs include the northern Ontario geological surveys program. This is a reconnaissance study of the terrain as to its engi-

neering characteristics and aggregate capability for geological, geophysical and geochemical surveys, mineral deposit studies and the development and introduction of new data-handling techniques. It is a six-year program to supplement the provincial geoscience data base, to enhance the efficiency and effectiveness of, and otherwise stimulate, mineral exploration by the private sector in northern Ontario. This year alone we will be putting about \$1,735,000 into that program.

Another program is the Northern Affairs geological surveys program. This is a reconnaissance study of the engineering terrain characteristics, and the aggregate capability of northern Ontario as a basis for planning and development, and to evaluate the deposits of the Thunder Bay area. It is a three-year program of geological and geophysical surveys and mineral deposit studies to evaluate the potential for fossil fuels in the Moose River basin, and to stimulate mineral exploration in the Red Lake, Marsh Lake and Burnt-bush areas. This year \$337,000 is being spent on this program.

These programs are being carried out by the Ministry of Natural Resources, and you might want to discuss the further intricate details with that ministry.

Another resource development program is the northern industrial mineral study program. That is a five-year program to supplement the other program I just referred to. It will survey non-metallic mineral deposits and evaluate the potential and encourage development of deposits of industrial minerals and rocks in northern Ontario. This year we are putting \$92,000 into that program.

Another one of extreme interest to myself is the electromagnetic survey of the Greenstone belt in the Red Lake area. This is to stimulate exploration activity in that part of northwest Ontario. This is a new project the Ministry of Natural Resources is undertaking and \$200,000 is going into that program.

Another one is the airborne geophysical survey of the Lake Superior area, measuring the magnetic and electromagnetic properties of the area around Wawa and Michipicoten. The member for Algoma will be interested in that. This is to provide a uniform data base for mineral potential studies for that area, which is a new project. This year we will be spending about \$100,000.

In the James Bay lowlands we will be doing additional lignite deposit surveys, to determine the potential of the Onakawana lignite deposits. We will spend \$25,000 this year, and this is a continuation of work—

Mr. Bolan: What do you expect to do with \$25,000?

Hon. Mr. Bernier: No. We have spent \$500,000; this is the windup of that program.

Mr. Bolan: Then is that it?

Hon. Mr. Bernier: Yes. This is the windup for that one. There is nothing in it for next year.

Mr. Bolan: What happens then? Nothing?

Hon. Mr. Bernier: Oh yes. We have found additional lignite deposits already in the Moose basin, and we are waiting for the energy requirements of the province to change. Hydro is very much involved with the Onakawana and so on. So until those requirements change we won't see too much activity there.

The member for Timiskaming was very instrumental in getting a five-year comprehensive program of geological and geophysical studies going on in his area. That is to improve the efficiency and effectiveness of, and otherwise stimulate, mineral exploration by the private sector in the Kirkland Lake area. That is a very ambitious program. This year we will be spending about \$487,000, and next year an additional \$400,000 in the Kirkland Lake area.

The member for Rainy River will be interested in the Atikokan geological surveys program for that area. It is a three-year comprehensive program of geological, geophysical and geochemical surveys and mineral deposit studies, to encourage the private sector in mineral exploration in the vicinity of Atikokan. The funds are provided to the Ministry of Natural Resources for this program, which will be going on for the next three years.

Those are some indications of what we are trying to do with our funds to stimulate further activity in the mining industry, providing the geological information to the private sector so that they can pick up the information and move ahead. I am particularly pleased that we have moved in this direction. I think we are all concerned about the lack of mining activity in northern Ontario.

Members will notice in the list I have gone through we have concentrated on those areas that need this type of survey, that need this information: the Atikokans, the Red Lakes, the Kirkland Lakes. Those are the areas where we know there are mineral deposits, and the experts say that is where we should be looking for additional deposits. And that is the route we are going.

The honourable member made some mention of the deregulation of the trucking industry. It is something I personally have supported and will continue to support. The

Minister of Transportation and Communications (Mr. Snow) was very strong in putting his case forward, although the opposition parties felt at that time they could not go along with him.

Mr. Wildman: Neither did the select committee.

Hon. Mr. Bernier: There are reasons behind that and they are all political; the member knows that as well as I do. There was a lack of concern for northern Ontario in that report. It is obvious we cannot go that route. I can say the issue is not a dead one. The North Bay restriction issue is not a dead issue. Members will be hearing more about that.

Mr. Mackenzie: There may be some sense to it.

Hon. Mr. Bernier: I think that as the members look at these changes, if they are really sincere about northern Ontario and doing something about the problems that exist up there, then I hope they will take this into consideration in their deliberations, because I think they are things we need to create more competition and lower the cost of freight rates, because as I have said many times it is freight rates that really affect the developing economy of northern Ontario.

Mr. T. P. Reid: Mr. Chairman, I want to talk to the minister this morning about one problem specifically. I won't repeat my speech about the lack of overall planning and direction for northern Ontario and one-industry communities at this time, but I am concerned about a program that was put to the Minister of Northern Affairs and the Minister of Agriculture and Food almost three years ago now by the Rainy River branch of the Ontario Federation of Agriculture. It has to do with drainage problems and land clearing in the Rainy River district.

As a Toronto member, Mr. Chairman, you may not be aware, but we have a substantial farming area in the Rainy River district. The minister himself has farm communities around Dryden particularly, and of course there are some outside Thunder Bay. But the people in the area of Rainy River, through their organization of the Ontario Federation of Agriculture, presented a brief to the minister just before the last election, or even substantially before that, in which they gave a detailed proposal of land clearing and a drainage project that would provide a great number of jobs and improve the farming area and the ability to produce in the Rainy River area west of the town of Fort Frances.

Since that time the minister, for some reason unbeknownst to me, has been dragging his feet on coming up with any kind of answers. All right, the minister indicates it is a matter of money. But we have had how many studies on this kind of thing? The minister indicates it is a lack of money, but surely this is a program that will provide immediate and concrete results by way of employment and by way of a lasting benefit to the Rainy River district?

[12:30]

If I could give you just a little background and history, Mr. Chairman, the Rainy River district was settled just before the turn of the century when people came up by way of river boat along the Rainy River. They were homesteaders and they cleared the land which involved a lot of muskeg and a lot of very wet area. Their problems have not been particularly solved since that time.

The minister has a report, or two or three—I do not know how many—by a fellow named John Kuntze, who was on a contract, if I am not mistaken, to do a study of the proposal put forward by the Rainy River Federation of Agriculture.

I have seen, on occasion, copies of these reports. The reports give the history of what has happened in regard to drainage and land clearing in the Rainy River district. It's almost the same as the problem that we have with the forest industry: The government has had for years and years, going back as far as 1910, reports from the northern affairs branch of the former Department of Lands and Forests, the former Department of Highways or, in some cases, the Ministry of Agriculture and Food—or whoever had the responsibility—but the problems have been the same; they have been outlined, and yet we still do not have a solution.

In 1944, a report was made to the Minister of Agriculture and Food in this regard. It listed four problems, and outlined them specifically, in regard to land clearing and drainage:

“(a) financial inability of the sparsely settled municipalities to undertake any scheme of sufficient scope to provide drainage outlets to carry waters off the farms;

“(b) lack of adequate machinery for drainage on individual farms and for providing outlets;

“(c) failure of the Highways Department to carry their road ditches to proper outlets and, thereby, running water off the roads on to the farms and flooding large areas of arable land every spring; and

“(d) need for opening up natural water-courses and clearing them of dead trees and

debris in order to allow a natural flow of drainage water off the land.”

The minister is supposed to be co-ordinating. Along with my colleague who last spoke, I am a little concerned about his response to a question about what the minister's role is, but we will not go into that. If the minister is supposed to be co-ordinating, it seems to me that he should be getting together the Ministry of Agriculture and Food, the Ministry of Transportation and Communications, the Ministry of Natural Resources and conservation authorities to try to resolve this problem.

I appreciate that money is a problem but, by the time we have studied it to death, we could probably have at least started on the problem of responding to the OFA brief and providing some employment in clearing the land. The minister had responses from the CES, the Community Employment Strategy group, supporting the scheme. I gather, although I have not seen it, that there has been a final report. Perhaps the minister could indicate whether he has a final report from Mr. Kuntze, or whoever is doing it in his ministry, on the problem. But the problem is not being solved. Every spring, for instance, we have a problem with La Vallee River, but the municipality is too small to handle it on its own.

A few years ago I attempted to get some of the small communities in the Rainy River district to get together to form conservation authorities but, even in concert, they still had to come up with 25 per cent of the cost, which they could not do; they are very small, and their tax base is relatively small. Perhaps if the minister would go ahead with a comprehensive program for the Rainy River district, that would increase the value of the farms and the production, and we could afford to expand the tax base to contribute to these programs.

The minister's colleague, now the Minister of Government Services (Mr. Henderson), who, if I recall correctly, headed up the land drainage committee, was in my area during the time of those sittings. The municipality of La Vallee made a representation to that committee. The select committee, although it was not dealing particularly with that, made a recommendation that assistance be given to clear that waterway to prevent the drainage problem spilling over on to farmers' land.

Another problem mentioned in this report from 1944 which continues to this day is the fact that the Ministry of Transportation and Communications does not maintain the ditches and has not provided a system that

will take the water right off the land and right down into the watercourse. The ditches end somewhere—nowhere actually, but they wind up sometimes overflowing onto somebody else's land. There is no comprehensive scheme, no comprehensive package, to deal with this.

The Ontario Federation of Agriculture's brief—and the minister probably knows it as well as I—asked for a lot of money. I think they were talking about \$17 million. I agree that's a lot of money in days of budget restraint, but it is a program that would put money back into the government's pocket by way of the employment opportunities it would provide, and the increased assessment and taxes and the increased ability, in fact, for those farms to produce.

We had a diatribe from the Minister of Agriculture and Food (Mr. W. Newman) last week about the DREE agreement. I would hope—and this is a question, as well, for the minister—that in the package the province is preparing to take to the federal government this would be one of the items. The minister isn't nodding or shaking his head, but I'm sure he will respond in the affirmative. I would hope so.

This is a problem that has gone on. It's affecting the district very badly and if the program of the OFA or some modification of same was implemented it would be of great benefit to the local people and to the economy in the Rainy River district. It has been dragging on for three years. It can't all be a matter of money. I wonder if the minister can respond in some way, indicating if this is a matter coming up for DREE, whether he has a final report on the figure, whether he has a dollar figure on the cost, if there is any possibility that we can get on with this program?

Hon. Mr. Bernier: Mr. Chairman, the member for Rainy River has had correspondence from me on this particular subject. I know it's near and dear to his heart. He is quite right in pointing out that it is a substantial amount of money. We're concerned about it from a northern development point of view. I think the best way I could answer the honourable member would be to read into the record—because I know he will want to send copies of this debate to people in the Rainy River area—two letters I sent to him that clearly outline all the various points to which he made reference this morning.

Mr. T. P. Reid: I'm not satisfied with those answers.

Hon. Mr. Bernier: The first letter is dated April 4, 1979:

"Dear Mr. Reid,

"I refer to your recent request for information regarding the agricultural drainage study in northwestern Ontario. The field work for this study, which covered the three major agricultural areas in northwestern Ontario, was completed in October 1977. Since that time, I am happy to say that because of the attention focused on the problem by Mr. John Kuntze and the discussions he had with farmers a number of positive initiatives have taken place.

"In the summer of 1977, 10-acre tile demonstration plots were installed on two farms in the Thunder Bay area with the assistance of the Ontario Ministry of Agriculture and Food and the Ministry of Northern Affairs. Early in 1978, a course for tiling contractors was held by the Ontario Ministry of Agriculture and Food in Dryden, and farmers from three agricultural areas attended.

"One tile machine is now in use in the Dryden area and a trenching machine has been purchased, converted and is now in use by a consortium of farmers in the Rainy River area. With assistance from the northern Ontario agricultural incentive program, one scraper was purchased by a Rainy River farmer for field levelling. I understand four more farmers are also preparing to purchase scrapers.

"The Rainy River Association of the Ontario Federation of Agriculture is now heading the drive to improve drainage. In response to their initiatives, the Ontario Ministry of Agriculture and Food and, where appropriate, the Ministry of Northern Affairs are providing further assistance.

"In 1978, the Ontario Ministry of Agriculture and Food supplied a surveyor for the topographic surveying of farm land for surface drainage. This program will continue this year. Another drainage contractor school will be held in Rainy River in April with four local farmers in attendance. Two representatives from the Ontario Ministry of Agriculture and Food will be in the area this spring verifying the condition of drains and ditches during the spring runoff." You may remember I made mention of this.

"As you are aware, there are two acts, the Drainage Act and the Tile Drainage Act, under which farmers through their municipalities can seek financial and legal assistance and redress. These acts have been well tried and proven over many years. Two of the problems associated with them in the northwest are that they require the municipality to act on behalf of those farmers requesting assistance and, when part of a drainage basin is involved, all landowners who benefit from

drainage improvement must contribute to the cost.

"An information meeting was held with all Rainy River municipal clerks to explain these acts and this, plus the growing awareness of the provisions of the acts by the farmers, is leading to greatly increased use of these provisions by your constituents.

"The study on drainage in the Rainy River farming area, commissioned by the local community employment strategy group and partly funded by my ministry, is expected by June. We are looking forward to using its results, combined with Mr. John Kuntze's work, the inputs of the local federation of agriculture and others, to formulate programs that will further assist the farmers to increase productivity through the improved drainage. We intend for future reference to combine the results of the Kuntze and the community employment strategy studies in the form of a consolidated report as soon as possible. To accomplish this, we will in all probability secure outside assistance in the form of a consultant hired for that purpose."

That was the letter directed to the member for Rainy River on April 4. On May 24 of this year we sent a further letter in response to an earlier one received. It reads as follows: "Thank you for your letter of April 19 which re-emphasizes your concern about agriculture clearing and drainage in the Rainy River district. As I pointed out in my letter of April 4, 1979, there have already been considerable benefits in the area. As a result of the work carried on by Mr. John Kuntze, many farmers and the Ministry of Agriculture and Food personnel in the area are now familiar with the drainage problems that have been identified. I have implemented projects to rectify some of these problems.

"The reference to an additional consultant is simply contracting with an expert on agricultural drainage to edit Kuntze's work and present it in a form that could receive wider distribution. Therefore, this is not another study in the sense you may have suspected. In the case of work contracted to the University of Manitoba, this study investigates the engineering and economic aspects of agricultural land clearing and drainage in the Rainy River district and a final report is expected very shortly.

"Throughout the conduct of the study, there have been regular meetings with the consultant by the members of the study committee representing the local Federation of Agriculture and various concerned provincial and federal departments. The federation representatives worked with the consultant on virtually a daily basis as he evaluated the problems of the area.

"In short, all parties have been in continual contact over the past several months. I am confident the study will give the Federation of Agriculture and the farmers in the area generally an excellent basis upon which to plan for drainage and clearing in the area and to request further senior government assistance where applicable.

"Because the bulk of the cost in instituting agriculture drainage relates to on-farm ditches and tiling drainage, it is proper, I feel, for local farmers to take the initiative in proposing which major outlet drains identified in the study should be improved via senior government assistance. When the consultant's report is received, the Ministry of Northern Affairs will undertake to ensure that a forum will be established that will enable the federation and the local farmers to make decisions on the drainage improvement to be undertaken." And that is the co-ordinating role, to which the member referred, that we are doing.

"If the local decision is to proceed with drainage works, existing government assistance programs would be available where applicable. If there are special circumstances for which existing projects are either insufficient or not applicable, the Ministry of Northern Affairs is prepared to consider special assistance, depending on the nature and the merits of the request. I am confident that this study will be a good first step in ensuring that the Rainy River district will be able to develop to its full agricultural potential."

[12:45]

Those two letters certainly spell out in a very clear way the interests and the concerns and the desires we have in this ministry to get on with that particular project, considering the tremendous costs. Of course, we are very cognizant of the benefits that would accrue. There's no question about that, but I think we have the issue in hand. We are playing that co-ordinating role to which the honourable member referred, and as we go down the road, I think with his co-operation and the understanding for which he's noted we will succeed and we will obtain certain successes.

Mr. T. P. Reid: I wonder, Mr. Chairman, if the minister would respond to my question about DREE. Are you planning in your submission to the federal government or has anything been made available to the Minister of Agriculture and Food or the Minister of Natural Resources or through the Treasurer, to put in a sum of money for this program in the Rainy River district? That's something

that could be funded under DREE. Has that step been taken?

Hon. Mr. Bernier: As the honourable member is aware, we had prior to May 22 a \$17 million northern Ontario package we were negotiating with the DREE people, which included, if I recall correctly, \$5 million or \$6 million for the Ministry of Agriculture and Food. I am not aware of how their figure was arrived at, or whether it was a specific program or dealt with needs in a very general way, but I do know there was reference to drainage in northern Ontario.

It's not a large figure, I'll agree. I think in the first run we wanted much more than that, but we were pared down, brought down to \$17 million and then denied, which came as a bit of a setback to us. I think it's fair to say we'll be going back to the federal government with this proposal because this does replace ARDA in northern Ontario. We've got to have something in place for that program; which was well accepted, there's no question about it. I will make a commitment to the honourable member to make sure if we're successful in getting something in the nature of an Ontario DREE package—there is consideration for the Rainy River area.

Mr. T. P. Reid: I appreciate what the minister has said. I take it therefore what we can do, as usual, is just wait until June until his study is completed to see where we're going to go with it. It seems to me with money being as tight as it is the DREE program should be looked at. Hopefully, as the minister might say, with a new ball game now more will be made available, but we have been waiting for over three years. I hope we'll get to the end of studying the problem and get on with it, because we all know what the problems are. What we're looking for are solutions. Actually we know the solutions; it's a matter of how we go about funding them.

Mr. Germa: I'd like to take advantage of this opportunity to speak to the Minister of Northern Affairs concerning the phenomenon he's familiar with in northern Ontario, which is one industry towns which go through these boom and bust cycles. That has been detrimental in the past to every community in northern Ontario, be it an economy based on lumber, mining or whatever. It's a one industry, one-horse town and the life and blood of that community is dependent on the one industry. Very often you have an imbalance where one community will be rising very rapidly and the other community is going down just as rapidly. There is no

way to inter-relate these two actions so they could be of mutual benefit to both the communities and stimulate the one on the down trend and assist the one in the boom situation. We have that extreme contrast right now in the two cities of Sudbury and Elliot Lake. You have on the one hand Elliot Lake which is in a horrible expansion period. All the attendant difficulties attached to too rapid expansion are evident in Elliot Lake. There's lack of accommodation, lack of services; prices are high. There is no accommodation for the number of workers necessary in Elliot Lake today. At the same time, barely 100 miles away, the city of Sudbury is in a severe decline with its mining industry. Both of these communities have mining industries. Elliot Lake happens to be uranium; Sudbury is nickel, copper and some other elements. The demand for uranium is high and we consequently have that predicament. Sudbury, of course, is on the other end of the scale. It's like a teeter-totter; one is up and one is down.

Sudbury at the present time, has a vacancy rate in housing running in excess of 13 per cent. Housing values are down by 20 to 25 per cent. The exact opposite is evident in Elliot Lake. If we could connect those two communities with a transportation system we could take advantage of the unused facilities in the city of Sudbury to augment the lack of facilities in the community of Elliot Lake.

I know that the city of Sudbury has presented a brief to the government of Ontario pointing out the problems that Sudbury faces and also those faced by Elliot Lake. The council of Elliot Lake is in agreement with the city of Sudbury that they could work together, to be of mutual benefit if they could get together on a high-speed commuter system to move workers back and forth. People could take advantage of Sudbury's already existing unused services—housing, governmental, et cetera—by living in the city of Sudbury and commuting to Elliot Lake.

I have some friends who are presently doing that; construction people whom I know personally have put together a package using a 42 passenger bus. So 42 of those construction men, including electricians, carpenters, plumbers and fitters, leave the new Sudbury shopping centre at six o'clock in the morning to travel to Elliot Lake. It's a non-stop bus exclusive to their use.

It is costing them quite a bit of money, of course, approximately \$10 per day, to commute to Elliot Lake but it gets them there within two hours—which might seem a long time in southern Ontario where people

just can't tolerate more than a 15-minute delay, but these guys have been doing it for six or eight months on a daily basis. They leave Sudbury at six in the morning and they are back in Sudbury by 6:30 to 6:45 in the evening, having done their eight hours work. They are living in the city; they are residents of Sudbury. The cost is what I am talking about.

I know we have various subsidized transportation systems in the southern part of the province. We have GO Transit, for instance, which is subsidized to the tune of 50 per cent to move people from 60 miles to 70 miles outside of the city of Toronto into the community, back and forth; and we think nothing of that. But to ask the government of Ontario to implement a similar system in the northern part of the province is just unheard of. We don't have the political clout. There are only so many seats up north and we can't clout the government hard enough to force that sort of activity. Yet, not only do we have the need and the precedent of subsidy, we also have the vehicle.

We have the Ontario Northland Transportation Commission which is an experienced transportation entity, familiar with buses. They have the equipment, so why can't the government of Ontario put in such a system which would alleviate a lot of problems? It would alleviate the high cost for those people who are commuting now because there is just no construction work in the city of Sudbury other than the gift the government gave us on the new provincial building. That's going ahead, sure. That's supplying jobs for a couple of hundred; but we have a large construction force in Sudbury and that construction force is needed in Elliot Lake. Yet there are not even bunk-houses available so they have to commute.

Why doesn't the minister, in his role as co-ordinator of services in northern Ontario, take a look, respond to the brief of the city of Sudbury whereby they made certain recommendations, one of them being a transit service to be put together; and not by 42 individual construction workers. Sure they put that together for their own needs, but think how an experienced transportation company could put a service together and increase it. Maybe they could have six buses per day, taking not 42 construction workers but several hundred, maybe several thousand, from Sudbury to Elliot Lake on a daily basis.

Also recommended to alleviate the problem and to speed up the transportation corridor between Sudbury and Elliot Lake is the idea of upgrading the road allowance between Sudbury, Elliot Lake and all those

towns in between and along the North Shore.

I know the minister has a program of four-laning highway 17 going west of Sudbury as far as Whitefish, but how quickly and how seriously is he looking at four-laning from Whitefish to the turnoff at highway 108 going to into Elliot Lake? Passing lanes have also served a good use in northern Ontario; because of the hills and the curves, the passing lane is very essential.

He could also relieve some of the congestion which is developing, because not only are these buses put together but there are van pools. There are several small vans running and there are a lot of people driving private cars at horrible expense. It costs as much as \$7,000 a year to keep a car on the road. In one year that car will have travelled, just to take the man to his job, 50,000 miles a year. That is the kind of mileages the man is doing. You know yourself that any car that puts 50,000 highway miles on a year is pretty well shot at the end of the year. I know that from my commuting from Toronto to Sudbury. It is a minimum of \$7,000 a year, and some of the people are forced to do that.

Here is a wonderful opportunity for the minister to earn his keep. It is only a small problem in the expansive problems of northern Ontario and I know it is very concentrated, but it would resolve an economic problem in the city of Sudbury and an accommodation problem in the city of Elliot Lake. It also would allow the construction and expansion to go forward at a more rapid rate because expansion is being curtailed due to lack of accommodation in the city of Elliot Lake.

Mr. Deputy Chairman: Mr. Minister, can you make a brief reply?

Hon. Mr. Bernier: Mr. Chairman, I would like to spend more time in replying to the member for Sudbury than the hour would allow and I would hold my reply until the next sitting of this committee. I understand that that will be Monday afternoon.

On motion by Hon. Mr. Bernier, the committee of supply reported progress and asked for leave to sit again.

Motion agreed to.

Hon. Mr. Bernier: Mr. Speaker, could I request unanimous consent that we revert to introduction of bills? The Minister of Transportation and Communications (Mr. Snow) had indicated he would introduce a bill today. He has left me a copy of that bill and asked if I could introduce it.

Mr. Deputy Speaker: Does the House agree?

Agreed.

INTRODUCTION OF BILLS

PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT AMENDMENT ACT

Hon. Mr. Bernier, on behalf of Hon. Mr. Snow, moved first reading of Bill 99, An Act to amend the Public Transportation and Highway Improvement Act.

Motion agreed to.

Hon. Mr. Bernier: Mr. Speaker, I have a short statement the minister left with me and I would like to read it into the record for the benefit of members. It reads as follows:

"Because of the importance of one of the amendments I propose to introduce later today to the Public Transportation and Highway Improvement Act—"

Mr. Nixon: We had that. It is a good statement though.

Hon. Mr. Bernier: Fine, I will just table it.

ANSWER TO QUESTION ON NOTICE PAPER AND RESPONSES TO PETITIONS (See appendix, page 2232)

Hon. Mr. Bernier: Also, Mr. Speaker, I wish to table the answer to question 180 standing on the Notice Paper; and the responses to petitions presented to the House, sessional papers 58 and 60.

The House adjourned at 1 p.m.

APPENDIX

(See page 2231)

ANSWER TO QUESTION
ON NOTICE PAPER

PRIVATE HEALTH INSURANCE

180. Mr. Cassidy: Would the minister please table an opinion on the legality of allowing private insurance companies to cover the insured services of chronic care, including the current \$9.80 a day co-payment fee? Would the minister pay particular regard to section 19 of the Health Insurance Act, 1972, when obtaining this legal opinion. [Tabled May 11, 1979.]

Hon. Mr. Timbrell: Section 19 (1) of the Health Insurance Act, 1972, does not prohibit private insurance covering "any part of the cost of hospital . . . and nursing home services that is not paid by the plan." Accordingly, since the daily chronic care charge is not paid by the plan, private insurance covering such charge is not prohibited by section 19 (1).

RESPONSES TO PETITIONS

CABLE TV SERVICE IN OHC PROJECTS

Mr. Swart: To the Speaker and members of the Legislative Assembly of Ontario:

We the undersigned, being residents of the OHC senior citizens in Welland, object to the termination of the block purchase of cable TV which enables us to obtain greatly reduced rates. We petition the Legislative Assembly of Ontario to instruct the Minister of Housing to reconsider and authorize officials of OHC to negotiate continuation of the agreements with the cable TV company. [Tabled May 11, 1979. List of signatures followed.]

Hon. Mr. Bennett: Ontario Housing Corporation has recently adopted a policy revision which allows individual tenants to deal with cable television companies rather than Ontario Housing Corporation adding cable television charges to rents under bulk rate contracts between the corporation and the cable TV companies.

Ontario Housing Corporation introduced the bulk rate cable television service to tenants in 1971, a major reason being that because of the large numbers involved Ontario Housing Corporation could negotiate preferred rates for its tenants at rates comparable at that time to providing service through a master antenna system. However, under this arrangement there was no freedom

of choice as all tenants were required to pay for the service.

Cable companies were thus not involved in any administrative problems and costs, as Ontario Housing Corporation collected the monthly charges and made advance payment directly to the companies.

However, when cable television companies gained a much deeper penetration of the general market, they began pressing for rate increases to the point where the differential between rates to be paid under the bulk contract and the individual subscriber rate did not warrant the heavy administrative costs incurred by Ontario Housing Corporation and which were not passed on to its tenants. In view of these changed circumstances, Ontario Housing Corporation board of directors decided that the bulk contracts should be phased out.

The corporation believes that providing a cable television service is not part of a landlord's responsibility and is perhaps analogous to the provision of a telephone.

Under the individual rights agreements with cable companies, Ontario Housing Corporation tenants can now make a choice of whether they want the cable service and may deal directly with the company, rather than being charged for the service whether or not they have a television set.

The revised policy is consistent with the general practice in the private sector whereby tenants pay the normal cable subscription rates for cable television. Similarly, with few exceptions, geared-to-income tenants in privately-owned developments under Ontario's rent supplement program also pay the same general rates. These rates are authorized by the Canadian Radio-Television and Telecommunications Commission.

Ontario Housing Corporation's current policy has the support of the Association of Ontario Housing Authorities. Last year, the association passed a resolution stating that cable television service and monthly fee should be the responsibility of the tenant, with neither the housing authorities nor Ontario Housing Corporation being involved in providing this service to residents.

WINDSOR CHILDREN'S CENTRE

Mr. Cooke: To the Speaker and members of the Legislature of Ontario: We the undersigned protest the closing of the 12-bed residence for emotionally disturbed children at the regional children's centre at Windsor

Western Hospital. This centre is the only one of its kind in this area and many children are on the waiting list. Why shut the doors on children? They are the adults of tomorrow, and this is the Year of the Child.

This petition was circulated, when it was thought the 12-bed unit was going to be closed, by Linda Bryce of 1541 Albert Road in my riding. She collected 1,000 signatures. I think it demonstrates the very strong feelings of the people in Windsor about this centre and the strong support for it. While the situation has been resolved on the short-term basis, the long-term problem still exists.

Hon. Mr. Norton: Officials of the Ministry of Community and Social Services are continuing negotiations with the administrative

staff from the regional children's centre at Windsor Western Hospital, regarding the phase-out of inpatient services and the development of alternative programming. This is consistent with the established priorities for service to children with special needs. This ministry is funding three other children's mental health programs in Windsor, it should be noted.

There has been no final decision made about service reductions or the closing of the 12-bed unit. In our continuing discussions with local officials, we will give every consideration possible to the special needs of the children of Essex county and surrounding areas who are being served by these programs in Windsor.

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SPEAKERS IN THIS ISSUE

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Bennett, Hon. C.; Minister of Housing (Ottawa South PC)
Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
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Germa, M. C. (Sudbury NDP)
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Van Horne, R. (London North L)
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